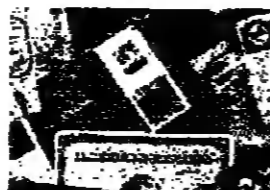




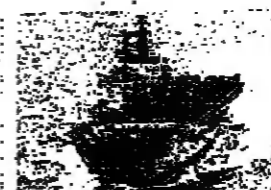
**To play a king**  
**Republicans**  
**for Charles**  
Joe Rogaly, Page 18



**Consumers screened**  
**Smart selling to**  
**big spenders**  
Page 16



**Premium prices**  
**Insurers and the**  
**single market**  
Page 12



**TOMORROW'S**  
**Weekend FT**  
**A clash of values**  
**on the Ark Royal**

# FINANCIAL TIMES

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387

Europe's Business Newspaper

FRIDAY JULY 1 1994

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## 'Baby Bell' groups combine cellular wireless interests

Two of America's largest "Baby Bell" local telecommunications groups - Bell Atlantic and Nynex - are combining their cellular wireless interests. The new company will compete aggressively with long-distance rivals trying to establish national networks in the fast-growing mobile communications market. The companies said it might have a market value of around \$13bn. Bell Atlantic, which serves the Mid-Atlantic region, and Nynex, which serves New York and New England, are each among the 10 largest cellular telephone companies in the US. Page 21

**OECD urges inflation action:** Financial market turbulence could be eased if monetary authorities in the industrialised world took more action to underpin their commitment to low inflation, the OECD said. Page 20; World recovery gathers pace. Page 5; Editorial Comment, Page 18

**Italian president challenges Berlusconi:** Italy's president Oscar Luigi Scalfaro has openly challenged the six-week-old government of Silvio Berlusconi over a cabinet decision that forced the resignation of the senior management of RAI, the state broadcasting corporation. Page 20

**Japan's PM turns to conservatives:** Japan's new Socialist prime minister, Tomichi Murayama, took a step to the right, by selecting a cabinet dominated by conservatives and pledging to work for stable economic growth. Page 20; Japan set for \$1.3bn S Africa aid and trade deal. Page 3

**Maradona withdrawn from World Cup:** Argentine captain Diego Maradona (left) was suspended by Fifa from all soccer and withdrawn by his national football association from the World Cup for taking drugs containing ephedrine, a banned stimulant, and four related banned substances. Maradona, 33, one of the world's best players, had been due to make a record 22nd finals appearance. World Cup, Page 8

**Albus A330 crash kills seven:** An Airbus A330 aircraft on a test flight crashed on take-off and exploded into flames at Toulouse airport, killing all seven crew members.

**Clinton cleared over Whitewater:** Robert Fiske, special prosecutor investigating the Whitewater affair, said he would not be bringing criminal charges over a savings and loan investigation involving President Bill Clinton. Page 6

**EU life directives takes effect:** Five European states - Denmark, France, the Netherlands, Portugal and the UK - are expected to have transposed into national law EU directives allowing insurers to sell their products across national boundaries by today's deadline. Page 28; Hard work to be free and single. Page 18

**Rise in French jobless:** French unemployment recorded its biggest monthly increase of the year in May, rising by 20,800 to 3.55m or 12.7 per cent of the workforce. Page 2

**Austria to reap China deals:** Austrian companies appear set to secure contracts with Chinese government agencies for up to \$100m (\$8.2m) in goods and services, after several years of efforts to build contacts and trade. Page 3

**New Zealand records budget surplus:** New Zealand recorded a budget surplus of NZ\$252m (\$306m) in the year to June 1994, its first since 1978. Finance minister Bill Birch called it the start of a "virtuous circle". Page 4

**US rules on abortion protests:** The US Supreme Court ruled that a judge can ban anti-abortion demonstrations near health clinics in a victory for advocates of abortion rights.

**Bangladesh riots over Islam:** An Islamic militant was shot dead by police and at least 150 people injured in fighting between rival groups during a strike in Bangladesh over an alleged insult to Islam by feminist writer Taslima Nasrin.

**Mafia trial ordered:** Mafia "boss of bosses" Salvatore Riina, 63, and 38 suspected gangsters were ordered to stand trial in Sicily on charges of complicity in 32 murders and other crimes.

**Navratilova reaches Wimbledon final:** Martina Navratilova will play in her 12th Wimbledon singles final after defeating Gigi Fernandez 6-4 7-6. She will meet Spain's Conchita Martinez who ousted American Lori McNeil 3-6 6-2 10-8.

STOCK MARKET INDICES		STERLING	
FT 100	2919.2	New York	1,540
FT 100	2919.2	London	1,540
FT 100	2919.2	London	1,540

US LUNCHTIME RATES		DOLLAR	
3m Treasury bill	5.14%	New York	1,540
6m Treasury bill	5.14%	London	1,540
12m Treasury bill	5.14%	London	1,540

LONDON MONEY		NORTH SEA OIL (August)	
3m Treasury bill	5.14%	North Sea oil	17.35
6m Treasury bill	5.14%	North Sea oil	17.35
12m Treasury bill	5.14%	North Sea oil	17.35

GOLD		COMMODITIES	
Gold	387.3	Crude oil	17.35
Gold	387.3	Crude oil	17.35
Gold	387.3	Crude oil	17.35

CURRENCY EXCHANGE		COMMODITIES	
US dollar	1.540	Crude oil	17.35
US dollar	1.540	Crude oil	17.35
US dollar	1.540	Crude oil	17.35

CURRENCY EXCHANGE		COMMODITIES	
US dollar	1.540	Crude oil	17.35
US dollar	1.540	Crude oil	17.35
US dollar	1.540	Crude oil	17.35

## Diller of QVC may head combined company

# CBS in merger talks with cable TV shopping group

By Martin Dickson in New York

Mr Barry Diller, the US film industry executive who heads QVC Network, the cable television shopping group, may emerge as chief executive of CBS, the television broadcasting network, under a merger plan being discussed by the two companies.

The companies said yesterday they were close to an agreement under which QVC, which runs two cable television channels selling consumer goods ranging from jewellery to clothing, would be merged into CBS.

Mr Diller would become chief executive of the combined group. Mr Laurence Tisch, at present chairman and chief executive of CBS, and owner of some 20 per cent of its stock, would stay on as chairman.

Wall Street analysts cautioned that the merger discussions might break down or lead to a hostile bid for CBS from a third party. But they said a CBS-QVC link-up would be positive for both companies.

Mr Diller, who is widely regarded as one of the most talented figures in the US entertainment industry, has been trying to build QVC into a powerful media conglomerate and last year made an unsuccessful \$10bn bid for

Paramount Communications, the film and publishing group. CBS is at present the most successful of the three big US broadcasting networks, judged by their prime time audience ratings. But critics complain that it has not followed the lead of rivals ABC and NBC and diversified into cable television, which has gradually eroded the networks' share of US viewers. They also question the strength of its programming.

Fox, Mr Rupert Murdoch's upstart fourth network, recently shocked the television industry by enticing away eight stations owned by New World Communications, which had been previously affiliated to CBS.

The defection came after Fox won an auction to show National Football Conference games of American football for the next four years - beating CBS, which had broadcast the games for nearly 40 years.

CBS, which earned \$35m last year on revenues of \$3.5bn, owns seven television stations and 21 radio stations in addition to its television network. QVC made \$55m on revenues of \$1.2bn in its last financial year.

Wall Street analysts said the negotiations suggested that CBS might pay QVC shareholders in stock worth some \$35 for each QVC share. In addition, CBS

shareholders would be paid a cash dividend of \$175 a share and would end up with 51 per cent of the combined group, while QVC shareholders would have the rest. Mr Tisch might take cash for part of his holding and end up with around 10 per cent of the combined group.

Trading in both companies was halted at Wednesday night's closing price, with QVC at \$32 and CBS at \$26.

Mr Diller might end up owning 5 per cent of the group, while two large cable television service companies with substantial stakes in QVC could also have small equity interests. They are Tele-Communications Inc and Comcast.

Mr Christopher Dixon, an analyst at brokers PaineWebber, said a merger would "go a long way to allow the network to diversify from its sole role as broadcaster in an industry that has become increasingly fragmented." It would also have the "exhilarating experience of Mr Diller and his close relationship with the creative community."

Ready to tune into the Diller side, Page 21

'Baby Bell' groups combine, Page 21  
Canada's long-distance network war, Page 23

## Fed may raise rates ahead of economic summit

By Michael Prowse in Washington

The US Federal Reserve faces pressure to raise interest rates next week following the dollar's continuing weakness against the yen and publication of data indicating US growth remains well above the rate consistent with low inflation in the longer term.

President Bill Clinton may believe a US rate increase before the Naples economic summit would put him in a stronger negotiating position when seeking concerted action to support the dollar and promote global growth.

On Wednesday this week Mr Lloyd Bentsen, Treasury secretary, said the recent rise in bond yields was not threatening US economic growth - a remark that some analysts interpreted as a green light to the Fed to raise short-term rates again.

Figures yesterday showed robust growth of US personal incomes and factory orders in May and a sharp rise in an index of prices compiled by Chicago purchasing managers. The strong data and evidence of upward pressure on prices prompted sharp early falls in bond and share prices.

"The underlying economic trend still looks very strong," said Mr Jim O'Sullivan, economist at J.P. Morgan, the New York bank. He said growth probably exceeded 5 per cent at an annual rate in the second quarter despite a sharp slowdown in consumer spending because of large positive contributions from capital spending and construction.

J.P. Morgan expects US short-term rates to rise 1 percentage point to 5.25 per cent over the next three months and to reach

## Britain and China agree military land transfer deal

By Simon Holberton in Hong Kong and Tony Walker in Beijing

Britain and China agreed yesterday on a military land deal in one of the most comprehensive bilateral agreements signed since the 1984 accord under which Hong Kong reverts to Chinese sovereignty in 1997.

The agreement was reached just hours after the Legislative Council (LegCo) approved democratic reforms proposed by Mr Chris Patten, Hong Kong Governor, despite intensive lobbying against the proposals by China.

Mr Patten described the accord with China as an honourable agreement. "It is a good and fair bargain over what has been a difficult issue for both sides," he told the Financial Times.

The land deal commits the Hong Kong government to spending HK\$50m (\$6.5m) on building facilities, including a new base for the Chinese navy. In return, Hong Kong will receive former military sites worth HK\$50m in redevelopment rights.

The agreement commits the People's Liberation Army to surrendering to the post-1997 Hong Kong administration all land surplus to its requirements. The PLA has also undertaken to use the land only for military purposes, and to make its personnel stationed in Hong Kong subject to Hong Kong law.

Coming so close after the LegCo vote, yesterday's agreement was the clearest sign to date that China is prepared to put its row with Britain to one side and get on with the practical business of the handover.

In Beijing Mr Shen Guofang, the foreign ministry spokesman, described the military bases accord as "an important achievement".

His remarks were seen as an indication that China was anxious to separate political issues from the practical considerations of ensuring a smooth transfer of power.

## Protest and celebration await Arafat in Gaza

By Julian O'Sullivan in Gaza

The government put 8,000 policemen on alert to deal with Israeli protests. Officials described the move as one of the biggest mobilisations ever carried out to thwart the threat of civil disorder.

Even the most senior PLO security officials were caught off guard by Mr Arafat's decision. He is scheduled to pass through the Israeli-Egyptian Rafah crossing at 2.30pm and travel in a long convoy to Gaza City to a hero's welcome. Up to 350,000 Palestinians are expected to turn out for their first glimpse of the legendary figure who has embodied the spirit of Palestinian resistance and nationalism.

Roadsweepers and repairmen were busy cleaning away dust and filling in pot holes on the seaside road outside beachfront hotels where Mr Arafat and his party are expected to stay.

Mr Arafat's supporters in Gaza mixed awe with disbelief at the impending visit of a man many Palestinians believe has superhuman powers. Some said he would return with one of the heroes of the Palestinian revolution thought to be dead.

"It will be the most important day in Palestinian history," said Mr Hamdi Abu Sultan, a shopkeeper in the Jabalya refugee camp. He will bring many changes because he is more than a man.

But opponents, who believe Mr Arafat has sold out Palestinian rights and aspirations to Israel in return for limited local powers, said they would boycott the visit. The Islamic resistance movement Hamas said it was considering raising black flags as a sign of mourning for the Palestinian cause.

In Israel Mr Arafat's visit has ignited similarly high emotions. The Yeshiva, the council of some 100,000 Jews who have settled on Israeli occupied Palestinian land, offered a 600 reward for Mr Arafat's capture alive.

Aid pledges, Page 4



An orthodox Jew passes a billboard in Jerusalem covered with posters protesting against the expected visit of PLO chairman Yasser Arafat to the newly autonomous area of the Gaza Strip

## Protest and celebration await Arafat in Gaza

By Julian O'Sullivan in Gaza

"In the name of God the compassionate, the merciful, - brother citizen please help to clean the streets and whitewash the walls for the visit of our leader."

Palestinians in Gaza hurriedly picked up broom and paintbrush yesterday in answer to the plea broadcast by loudspeaker vans after Mr Yasser Arafat, the veteran Palestinian leader, decided that today would be the day of his triumphant visit after decades of struggle and exile.

Mr Arafat, who brought forward his plans after a request by Israel's chief Sephardic rabbi that the visit should not take place on Saturday during the Jewish sabbath, also jolted the Israeli right wing into action. Rightwing leaders, some threatening Mr Arafat's life, were last night co-ordinating demonstrations to oppose the visit of a man who one rabbi called a "modern-day Hitler".

The governor said he was hopeful that with this agreement the two sides could accelerate co-operation. "We have no option but to step up the pace of co-operation," he said in an interview. "The transfer of sovereignty is only three years away."

Mr Hugh Davies, Britain's senior representative to the Joint Liaison Group, the body charged with negotiating the details of the transfer, said he believed that if past differences could be put to one side there was no reason why the JLG could not enter into a more productive and useful phase. However, another British official doubted if all the work

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LEADERSHIP FOR A CHANGING WORLD



# Austria reaps rewards with China deals

By Ian Rodger in Zurich

Austrian companies appear set to secure contracts with Chinese government agencies for up to \$1.6bn (874m) in goods and services, after several years of efforts to build contacts and trade with the People's Republic.

Several contracts, including one for a \$500m steel casting plant and another for up to \$1.6bn worth of crude oil, were signed yesterday during an official visit by Mr Li Peng, the Chinese prime minister, to Vienna. The most important agreement, worth up to \$1.6bn, was in the railway equipment sector, where Austria has many strong suppliers.

Under the agreement, Aus-

trian companies will receive some \$300m worth of orders for locomotives, rails, switches (points), rail laying machinery, telecons and tunnel construction.

A further \$300m to \$400m was achievable under the agreement and Mr Viktor Klima, the Austrian transport minister, held out the prospect of up to \$1.6bn in railway-related contracts with China in the longer term. Mr Klima said China was suffering from severe bottlenecks in transporting its raw materials, and so had given the highest priority to railway construction.

The crude oil deal was signed with the Austrian integrated oil group OMV. It calls for the delivery to China of up

to 1m tonnes of crude oil at prevailing market prices over a year beginning in August. OMV produced 2.1m tonnes of oil last year, about half of it in Austria, the remainder in the UK and Libya.

## Agreements reached in spite of protests about China's human rights record

Half of the volume was fixed, with the remainder to be determined, OMV said. The total value of the deliveries was expected to be \$1.5bn.

For its part, VA Technologie, partly privatised through a

public notation in May, signed a \$500m contract for a two-strand steel slab casting machine at a steel works in Benxi, China. VA's sister company Voest Alpine Stahl signed a declaration of intent which foresees a joint steel production venture in Ningbo, China.

The agreements were reached in spite of protests from some influential Austrians about China's poor human rights record.

Mr Erhard Busek, the vice-chancellor and leader of the conservative Austrian People's Party, is boycotting the visit and a plan for Mr Li to visit Vienna's city hall to sign the Golden Book was cancelled because of scheduling problems.



Li Peng meets Austrian chancellor Franz Vranitzky

# Donor nations pledge \$6bn aid to India

By Shiraz Sidhwa in New Delhi

India's donor countries yesterday pledged \$6bn (\$3.9bn) for the financial year 1994-95 to meet India's "continued need of high-quality, long-term development assistance" for projects in areas such as education, family planning, nutrition, rural works, and control of endemic diseases.

However, donors and financial institutions meeting in Paris at the annual two-day India Development Forum, chaired by the World Bank, urged India to strengthen its fiscal discipline, without which they fear the country would not be able to reap the full benefits of reform.

Echoing the concerns of other donors, Mr Joseph Wood, vice-president (Asia) of the World Bank, who presided over the meeting, warned that the "sharp deterioration of India's fiscal performance in 1993-94 threatens the future stability of the economy, reduces fiscal flexibility, and undermines the credibility of the overall structural reform programme."

The aid package is lower than last year's figure of \$7.4bn and \$7.2bn in 1992-93, though pledges of concessional aid (comprising grants and interest-free loans) are up to 43 per

cent from 28 per cent last year.

The Indian government has not sought a fast-disbursing assistance component this year because of its improved balance of payments position. The decision is in line with India's new strategy of becoming a "discerning and discriminating borrower of quality assistance to maximise soft loans," according to an official.

"India has made a conscious decision to restrict commercial borrowing and to concentrate on project disbursement and improving portfolio management," said Mr Montek Singh Ahluwalia, finance secretary, and head of the Indian delegation.

Japan continues to be India's largest bilateral donor, with a commitment of \$1.2bn this year, its largest ever to India. Bilateral sources accounted for \$2.4bn this year, as against last year's \$3.2bn. The Japanese package covers 12 projects in sectors such as power, environment, and road building.

The World Bank continues to be the largest source of multilateral pledges, accounting for \$3.5bn of the total of \$3.6bn.

The International Development Association, the soft-lending arm of the World Bank, will today pledge \$3.5bn worth of assistance for development projects.

## Venture with Russia allays ministry fears

India and Russia have agreed to launch a \$400m (\$263m) joint venture company to service and manufacture spares for military aircraft of Russian origin. The deal was signed by Mr Narasimha Rao, India's prime minister, and Russian president Boris Yeltsin in Moscow, writes Shiraz Sidhwa.

The deal, one of two signed during Mr Rao's four-day visit to Russia, allayed fears in the Indian defence ministry that the substantial Russian-made component of the Indian Air

Force fleet would be redundant if Russia refused spares to India.

Russia also agreed that India should have access until September this year to an \$830m credit negotiated with the former Soviet Union for the purchase of defence items and spares. A large part of the credit, which has been frozen since early 1992, is still unused.

The proposed joint venture company will be based in India.

# Japan set for \$1.3bn South Africa package

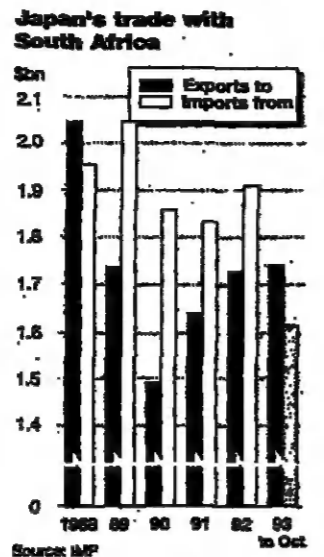
Aid and trade deal will pave way for reinvestment, write Gerard Baker and Gordon Cramb

When he takes his seat at the Group of Seven summit of leading industrial nations in Naples next week Mr Tomichi Murayama, Japan's new socialist prime minister, will not come entirely empty-handed to the table.

One particular offering that Japanese officials have been preparing for their premier to bring - an aid and trade package worth as much as \$1.3bn for South Africa's new democratic government - may assume added significance as a signal of Japan's desire to be a good world citizen in spite of the country's internal political upheavals.

This will focus on investment projects linked to the reconstruction and development programme set out by the all-race Pretoria government in sectors such as telecommunications, medical and educational facilities. It will pave the way for Japanese companies to reinvest in South Africa at a time when their funds will be welcomed as an indicator of confidence.

Last week an official Japanese mission flew to Johannesburg to seek out aid targets. The Tokyo foreign ministry yesterday declined to confirm the figures, but if the package is on the lines of that planned



by the previous government of Mr Tsutomu Hata, it could comprise some \$300m in official development assistance, up to \$500m in Eximbank loans and a further \$500m in trade and investment insurance cover over the next two years.

The Japanese corporate sector rapidly reined back when the ministry of international trade and industry had to confess at the height of the sanctions era in the late 1980s that Japan had suddenly emerged

as white-run South Africa's leading trading partner - ahead of countries such as Germany which had previously headed the rankings.

In the same way, private enterprise may now follow the Tokyo government's lead in rebuilding ties with the country under President Nelson Mandela's African National Congress-led government of national unity. Part of the new aid will anyway be tied to trade with Japanese companies.

Japan is currently South Africa's fourth largest trading partner as the high value of the yen has continued to push Japanese multinationals towards production abroad, but there have so far been few signs that Japanese companies are ready to invest heavily in South Africa.

Licensing agreements largely maintained a Japanese presence in South Africa through the sanctions era and in some cases for many years before. The question now is whether Japanese companies, which until now have been content to provide parts and brand names to local manufacturing units in which they have no equity stake, are willing to contemplate closer operational or shareholding links. No big rush looks likely.

One prime example is Toyota South Africa, the country's biggest car maker, a family-controlled company quoted on the Johannesburg Stock Exchange in which Toyota of Japan has no direct holding. It obtained franchise rights to use the Toyota name as far back as 1961 and has imported components ever since - currently representing some 35 per cent by value of vehicles produced.

In the same way, Mazda vehicles are produced by Samcor, controlled by Anglo-Amer-

## South Africa offers a bridgehead into the African market

ican, the country's leading conglomerate. The automotive sector is overcrowded and Mr Peter Arthur, a partner at Webber Wentzel, a Johannesburg law firm which has recently acted for several multinationals investing in the country, says that "we are not seeing new motor manufacturers coming in".

Toyota of Japan said yesterday it had no plans to take a stake in Toyota South Africa which "is and will remain a completely independent local company". But in Johannesburg recently Mr Brand Preto-

rius, managing director of the local operation, said of the future that it was "essential for our company to become part of the global Toyota network". He added: "Whether an investment by Toyota Japan is a precondition still has to be clarified".

What a South African manufacturing base can offer, as never before, is a bridgehead into the African market as a whole, and to others beyond. As Japanese companies seek out lower-cost manufacturing sites to escape the high yen, they are also able further to refine their markets and target the developing world, where reliable brands carry a similar cachet but pricing needs to be keener and the product can be more basic.

South Africa's high tariff regime will be eroded only gradually as a result of the phased accord the outgoing government struck with the General Agreement on Tariffs and Trade before conclusion of the Uruguay Round. Partly because of a lack of previous capital investment under sanctions, a lag in relative productivity also serves as a disincentive to inward investment.

While South Africa's consumer products market has in recent months attracted western names such as Sara Lee

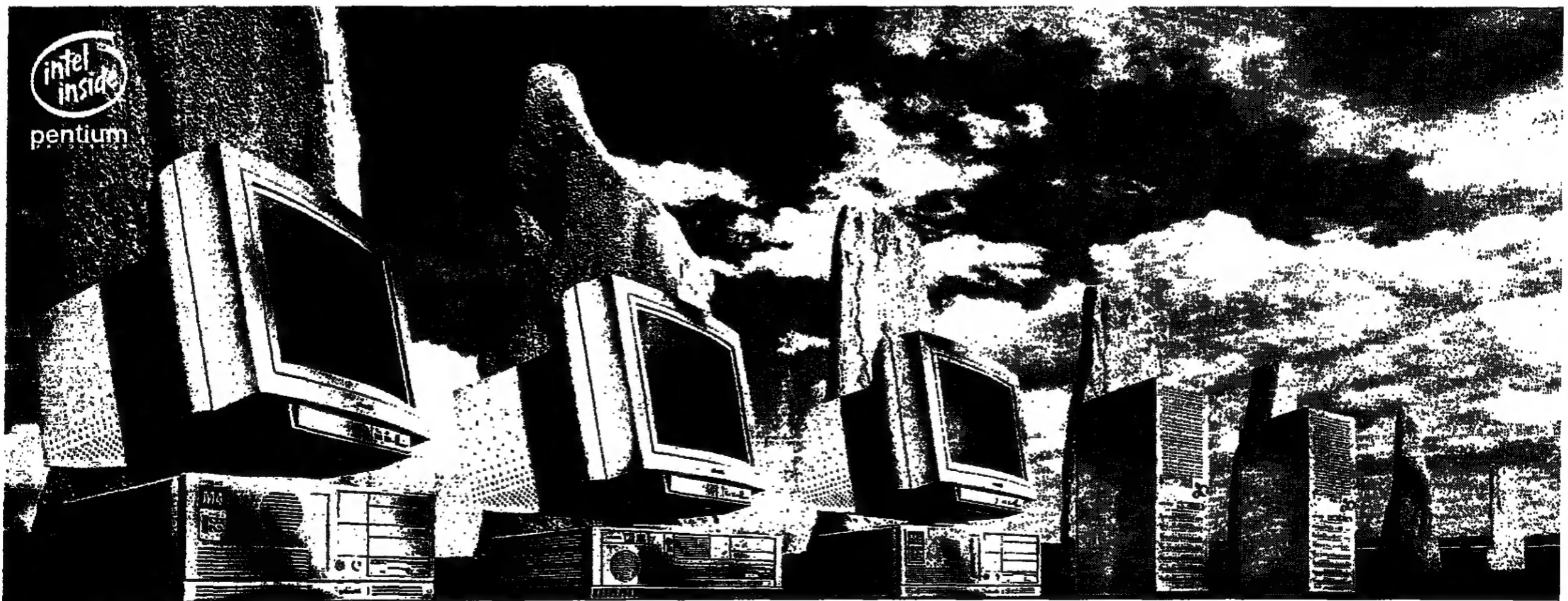
and the potential in developing the country's infrastructure has brought in the French construction company Bouygues, Japanese investments so far have centred on exploiting the country's mineral wealth.

Last month Sumitomo Corporation, one of Japan's leading trading houses, became the first Japanese company to invest in South Africa since Mr Mandela's election when it bought a modest 1 per cent stake in Associate Manganese Mines. Last year the rival Mitsubishi Corporation advanced a \$80m loan to Western Platinum for mining development and Nippon Denko, an offshoot of Nippon Steel, linked with the local NST Ferrochrome to produce high-carbon alloys for the Japanese market.

Beyond the mining sector, Marubeni Corporation established a joint telecoms venture with the British-linked Plessey Telkom. But in all, just 30 Japanese companies have offices in South Africa compared with 130 US groups.

And most show no immediate desire to expand. As a Sumitomo official in Tokyo puts it, "South Africa is a very distant, very unfamiliar country, not just for us but for most Japanese companies. We remain very cautious about major commitments."

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## NEWS: INTERNATIONAL

# NZ has first budget surplus since 1978

By Terry Hall in Wellington

New Zealand recorded a budget surplus of NZ\$527m (US\$311m) in the year to June 1994, its first since 1978 and the start of what Mr Bill Birch, finance minister, called the start of a "virtuous circle".

As a result of the painful economic reforms of the past decade, New Zealand would now reap the benefits over the coming years, he said.

"The stronger growth we now have created more jobs, which increases taxes, and the surpluses we will achieve will be used to repay debt, leading to stronger growth."

The surplus was a big improvement on the projected deficit of NZ\$2.3bn forecast by the Treasury in last year's budget, although this was revised to a deficit of NZ\$1.4bn last November. The improvement is due to higher-than-expected tax receipts as the economy grew faster than predicted at about 5 per cent of gross domestic product.

This led to a rise in employment of about 86,000. Corporate earnings were up sharply, as many companies came to the end of tax loss, and started paying full tax.

The government also kept a tight rein on its spending, while social welfare costs remained at a low level after the cuts of 1991.

Mr Birch forecast that the budget would show a surplus of NZ\$2.5bn in 1995-96 and NZ\$4.5bn in 1996-97. He said this would allow tax cuts.

Meanwhile, New Zealand would have to continue to show restraint and the emphasis would be on repaying overseas debt.

**Restraint will be needed and the emphasis will be on repaying overseas debt**

The better economic times meant the government was able to start repaying a "social dividend" for those who had been hurt hardest during the reform period.

Mr Birch said he would be spending an extra NZ\$450m over the coming year in various social welfare areas. The greatest sum, NZ\$240m, will go on hospitals and help for the mentally ill. But more will be spent on income support for the poor, and on housing, education, research and development, roads and tourism.

Opposition leaders criticised the government for allocating only an extra NZ\$9m to the unemployed.

# Japan may slow moves on economy

New cabinet will steer clear of sensitive issues, William Dawkins reports

## THE NEW CABINET

Prime Minister	Tomichi Murayama (SDP)
Deputy Premier/Foreign Minister	Yoshi Kono (LDP)
Agriculture, Forestry & Fisheries	Takeshi Okawara (LDP)
Chief Cabinet Secretary	Kozo Igarashi (SDP)
Construction	Koken Nosaka (SDP)
Education	Kazuo Yoneo (LDP)
Finance	Masayoshi Takemura (NHP)
Health & Welfare	Shoichi Ide (NHP)
Home Affairs	Hiroshi Nonaka (LDP)
International Trade & Industry	Ryutaro Hashimoto (LDP)
Justice	Isao Maeda (LDP)
Labour	Masao Harasawa (SDP)
Posts & Telecommunications	Shun Oike (SDP)
Transport	Shinaka Kamei (LDP)

**DIRECTORS-GENERAL OF GOVERNMENT AGENCIES**

**(STATE MINISTERS)**

Defence	Tokuhiro Tanazawa (LDP)
Economic Planning	Masahiko Komura (LDP)
Environment	Shin Sakurai (LDP)
Hokkaido/Okinawa Development	Sachio Goto (LDP)
Management, Co-ordination	Tsunao Yamaguchi (SDP)
National Land	Kyoshi Ozawa (LDP)
Science & Technology	Makiko Tanaka (LDP)

LDP= Liberal Democratic party SDP= Social Democratic party NHP= New Harbinger party

sign minister, and his Socialist boss. Mr Murayama, an staunch pacifist, which suggests they will press for a soft line on North Korea's nuclear ambitions.

Here, they will have the support of Mr Takemura, who has been close to Pyongyang since arranging a meeting between Kim Il-Sung and a senior member of the LDP four years ago.

All three members of the coalition oppose a non-United Nations sanctions against North Korea. Mr Kono, but not all his LDP followers, and his two partners agree Japan

should not revise Article Nine of the constitution, which forbids the use of force to settle international disputes.

The prime minister and foreign minister may also, because of their pacifism, tone down Japan's bid for a permanent seat on the UN Security Council and for wider participation in UN peace-keeping.

As a result, Japan may take a generally lower profile on the world stage while this government is in office. The strong hawkish streak on the right wing of the LDP is likely to enliven this coalition's reign.

Political reform: Mr Murayama surprised critics yesterday by pledging to speed the re-drawing of electoral boundaries and hold elections under the new rules opposed by many of his own party members only last January. The new boundaries will be ready by autumn, but the coalition might hold on longer if it can control its internal differences on this and other policies. The new boundaries are the final stage in the re-design of the political and electoral system, including curbs on political fund-raising. Mr Kono equivocally supports reform.

Mr Murayama's electoral pledge disappointed the SDP and LDP old guard, who suspect they would do less badly in a quick election under the old system than under the new. Against that, they fear a public backlash if they are seen to be resisting popular reform. The new prime minister symbolically signalled he wanted to break with the LDP's record of political corruption by giving the construction ministry to a Socialist. Public-works contracts were at the centre of a recent judicial crackdown on corruption.

One entirely legal vestige of the old political way is present in the cabinet: the strength of family ties. Ms Makiko Tanaka, the straight-talking daughter of former Prime Minister Kakuei Tanaka, becomes director-general of the Science and Technology Agency, during her first term in parliament. Few politicians land a cabinet job so early in their careers.

# Let's try to keep things moving - Patten

By Simon Holberton

Critics of Hong Kong's governor Mr Chris Patten have often said he would have to trade advances in Hong Kong's political development for Chinese concessions in economic matters.

Yet yesterday, just hours after denouncing the vote in Hong Kong's Legislative Council that extended the franchise in the British colony, China initiated a treaty with Britain on the use of military land after sovereignty is returned to Beijing in 1997.

"I am just pleased that 'the end-of-the-world-is-nigh' brigade will now have to hang up their clapper boards," said the governor in an interview yesterday.

The view in the colony now is that Beijing has separated the economic from the political.

With the vote in LegCo early yesterday morning securing the political reforms he sought, Mr Patten is keen to move on and deal with practical issues of transferring sovereignty to China in 1997.

Although the development of democracy in Hong Kong has been the most contentious issue dividing Britain and China in the past two years, the governor detects a willingness by Beijing to deal with the nitty gritty. With the military land deal on the way to being resolved, talks about airport finance may also be nearing completion.

"I think it is possible to co-operate across the board and we will be looking in the coming months for ways to build on the momentum," Mr Patten said.

In the early hours of Thursday morning Mr Patten scored a narrow victory in LegCo when lawmakers voted for his plans to extend the franchise in next year's elections.

"The decision has been taken by the people of Hong Kong, not imposed upon them," he said. "The process is almost as important as the institutions which [the] vote put in place. Hong Kong stood up for itself."

"But we've got to try to increase China's understanding and remove its mistrust about Hong Kong - a feeling that somehow Hong Kong's aspirations represent a threat. [The] vote wholly involved the United Front (pro-Beijing) politicians in Hong Kong. Chinese officials played an active part in trying to influence the outcome of the vote. It was good that they were involved in that way."

Beijing's official position yesterday was that fresh elections will be held in Hong Kong after China regains sovereignty in 1997.

Next on the agenda is resolving the long-running dispute with Beijing about funding Hong Kong's multi-billion dollar airport project. "We are extremely close to an agreement," said Mr Patten.

Yesterday Mr Guo Fungmin, China's chief representative to the Joint Liaison Group, said that in drafting the agreement "some problems emerged which need to be further clarified". It is understood these relate to allowing the government corporations building the airport and connecting railway to approach bankers. Mr Guo said he hoped a draft agreement could be "completed in the near future".

Mr Patten said there was much that Britain and China had to get done in the coming three years. This included the localisation and adaptation of Hong Kong's law and air service agreements with other countries.

China's co-operation was also needed when it came to the government's social agenda. The government will soon be publishing a consultation paper on its plans for a state-funded old age pension. "It is essential to carry China with us."

Mr Patten said a meeting with Mr Lu Ping, China's top official on Hong Kong, would be a boost to relations. When Mr Lu visited the colony in early May he snubbed the governor.

"I would like to [meet him] whenever Mr Lu thought it possible, practicable and desirable. I happen to think it is desirable now and I think the Hong Kong people think it is desirable."

Mr Patten is under no illusion that the events of this week will mean plain sailing until 1997.

"This job is not going to get any easier. I don't seek to alarm or to forecast typhoons, but the job is going to be intensely difficult and intensely challenging right down to the wire."

# Former Elders executive jailed

By Nikki Tait in Sydney

Mr Kenneth Jarrett, the former Elders IXL executive who has agreed to give evidence against Mr John Elliott concerning the Melbourne-based businessman's role in A\$66.5m (\$48.5m) worth of allegedly fictitious foreign exchange transactions, was sentenced to 18 months in jail yesterday.

However, Mr Justice Coldrey suspended 12 months of the sentence, saying it could not have been easy for Mr Jarrett to "break ranks" and co-operate with the authorities. Mr Jarrett had pleaded guilty to one charge of failing to act honestly between 1986 and 1990 as an officer of Elders IXL, the large Australian brewing and

agribusiness group formerly headed by Mr Elliott.

Theft charges were brought against Mr Elliott, a past president of the Australian Liberal party and one of Australia's most prominent entrepreneurs in the 1980s, and a number of other Elders executives including Mr Jarrett, shortly before Christmas.

Essentially, the prosecution is arguing that the forex transactions were used to funnel money to companies connected to Mr Allan Hawkins, a New Zealand-based businessman who is in jail. Mr Jarrett's account supports these allegations. However, Mr Elliott has consistently denied any wrongdoing. The matter is due to come to trial next month.

# Australian rates speculation grows

Speculation that Australia's official interest rates may rise in the near term was fuelled yesterday when monthly economic data showed a large rise in building approvals for May, and an unexpected widening of the current account deficit for the same month, writes Nikki Tait.

Building approvals rose 10.4 per cent, compared with market forecasts of a small fall. This indicated that any slowdown in Australia's booming housing market is some way off and stoked fears of domestic inflationary pressures.

Meanwhile, the current account deficit widened to

A\$1.71bn (US\$1.35bn) in seasonally-adjusted terms, compared with A\$1.65bn in the previous month. Analysts had expected a deficit of about A\$1.4bn.

Mr Ralph Willis, the Australian treasurer who has insisted there was no sign of incipient inflation and that interest rates did not need to rise at this stage, said the balance of payments figures were "broadly consistent with budget forecasts". He claimed the growth in imports supported the government's expectation of a strong acceleration in investment spending over the coming year.

# Pleasant surprise as shares go higher

By Emiko Terazono in Tokyo

Traders at Nikko Securities, who started their morning with long faces yesterday on prospects of a plunge on the Tokyo stock market, were pleasantly surprised after Japanese shares closed moderately higher.

Many analysts had expected financial markets to react negatively to the uncertainty posed by the new socialist leader, but investors chose to look on the bright side, seeing the new administration as fiscally expansive, supporting further cuts in income taxes, and discarding tax rises.

After a brief plunge, the leading Nikkei index closed up 182.93, or 0.8 per cent, at 20,643.93, on hopes of an imminent recovery of corporate earnings and the economy.

But investor confidence was virtually unaffected due to the belief that bureaucrats will continue running the country, including economic management. "There is no socialist prime minister within a coalition," Mr Tom Hill, strategist at brokers SG Warburg in Tokyo, said.

Favourable news for the economy, on the other hand, suggested higher interest rates, depressing the bond market. Currency traders were more unsure of the new regime as doubts over the prime minister's handling of trade talks with the US and the Naples summit kept the yen above Y99 to the dollar. It closed up Y0.32 at Y98.95.



Japanese Prime Minister Tomichi Murayama (centre) with Finance Minister Masayoshi Takemura (left) and Yoshi Kono

YOHEI KONO

# Alliance's architect

Mr Yohei Kono, Japan's new deputy prime minister and foreign minister, was the principal architect of the incongruous alliance of socialists and Liberal Democrats now ruling Japan, writes Gerard Baker in Tokyo.

Elected to lead the LDP following its defeat last summer, he has spent most of the past year attempting to unseat the governments of Mr Morihiro Hosokawa and Mr Tsutomu Hata, finally patching together a deal with the socialists minutes before Wednesday night's vote in the lower house of the Diet.

Mr Kono, a 57-year-old former cabinet secretary in the last LDP government of Mr Kiichi Miyazawa, has a reputation as a firm supporter of Japan's pacifist constitution. He moves to the Foreign Ministry as a lively debate is under way about Japan's international role.

Some in the ministry favour giving the country a stronger presence in the international arena, but Mr Kono has said that Japan should be a "soft power", developing its political and economic role rather than a military one.

He has tried to distance the LDP from its scandal-ridden past, building on a reputation earned in the 1970s as an early member of the party's reformist wing.

Mr Kono left the party in 1976 to form a breakaway group, the New Liberal Club, following the Lockheed payoff scandal. But his reputation was not enhanced by a decision to rejoin the LDP in 1986, even though the party had changed little.

MASAYOSHI TAKEMURA

# Popular policies

Mr Masayoshi Takemura has made a spectacular comeback at the head of Japan's Finance Ministry, its most powerful bureaucracy, despite being constantly undermined, in his days as chief cabinet secretary in the Hosokawa administration, by Mr Ichiro Ozawa, the backroom strategist, writes Emiko Terazono.

Not only does the Finance Ministry govern state budget, tax policy and financial markets, it also supervises the Bank of Japan's monetary policy.

So far his pronouncements as finance minister have been sweet to the public's ears. Yesterday he stressed he would pursue income tax cuts but ruled out an immediate consumption-tax increase. He has gained electoral popularity through his low-key style, is a self-professed environmentalist, and has been calling for a green tax to help conserve the regional environment.

Along with members of the Socialist party, Mr Takemura is known for his strong ties with North Korea. He has visited the country three times, including a trip he organised for Liberal Democrat and Socialist elders to meet President Kim Il-Sung in 1990.

Such ties pose a risk for swift Japanese decision-making towards North Korea were a crisis to erupt. In contrast to Mr Ozawa, he envisages a more discreet role for Tokyo in the international arena, claiming Japan should maintain its role as a pacifist country, and strongly opposes its financial involvement in regional military crises.

# Pledges leave PLO with a cash shortfall

Mr Yassir Arafat, leader of the Palestine Liberation Organisation, will today head to the land he has sought for so long, supported by more than \$2.4bn (\$1.57bn) in pledges of aid but few dollars in his pocket.

The once-wealthy PLO is teetering on the edge of bankruptcy, and international donors seem determined that its coffers will not be replenished to the detriment of the West Bank and Gaza strip's development.

At a lunch in Tunis last week with western diplomats, Mr Arafat did not disguise his anger at the "derisory" cash sums he was being offered to help set up the Palestinian organisations required to take over the administration of territories freed from Israeli occupation. Even senior PLO officials, especially those without direct family ties in the West Bank and Gaza, were yesterday pondering such basic issues as how they would pay for their impending move and find somewhere new to live.

The conflict between immediate, and partly political, needs and the longer term economic and social requirements of the territories can only be resolved by the international aid donors.

Arafat is angered by donors' contributions to the start-up costs for West Bank and Gaza, writes Roger Matthews

The two largest, the US and the EU which together have pledged more than \$1bn over the next five years, recognise the need to sustain Mr Arafat politically against his radical opponents.

But the amount of pledged aid that can be diverted into start-up costs and budget support for the new administration is often limited by the legal restraints under which the donor governments must work. Even more difficult is to provide Mr Arafat and his colleagues with what American politicians describe as "walk about" money. Such requirements sit uneasily alongside demands for "transparency and accountability" in the use of funds.

For the past two months these issues have dominated the PLO's contacts with donors, at some cost to the urgent work needed to transform pledges into projects and to answer the criticism of Palestinians in the territories that nothing on the ground has changed since Israel and the PLO signed their initial agreement in September.

Of the \$2.4bn in development funds on offer over the next five years, \$750m has been earmarked for the first 12 months of the new self-rule authority, a figure well beyond the capacity of the territories to absorb.

World Bank officials estimate that initially the absorptive capacity, excluding recurrent costs, will be in the region of 10-12 per cent of gross national product, or about \$200m-\$300m. Some \$80m has already been disbursed, with another \$300m committed, and Palestinian officials are scheduled by the middle of July to submit a further list of projects for consideration.

A key task now is to resolve priorities and persuade the donors to be flexible in their selection of projects.

"We are finding that some

countries only wish to be involved in certain prestige projects where they can see long-term commercial benefit. And there are also many difficulties in different demands for bidding procedures, and with those governments which insist that contracts can only be awarded to companies from their own countries," said a member of the Palestinian economic council for development and reconstruction.

These complications have been compounded by the lack of urgency demonstrated by Mr Arafat in appointing staff and his unwillingness to delegate authority.

He has, however, also been handicapped by the belated recognition that start-up costs of the new administration and its projected budget deficit for the first two years would be substantial.

The gap to be covered until the end of 1994 is put at \$168m. Of this \$133m has so far been

committed with \$60m of it in a special fund administered by the World Bank and named after Johan Joergen Holst, the late Norwegian foreign minister. The Holst fund has been financed by governments which were persuaded to switch development funds into direct cash aid. They include Saudi Arabia and Kuwait, because of Mr Arafat's support for Iraq during the Gulf war, had been adamant that none of their contributions should be used to sustain the PLO.

It was the World Bank's suggestion that the Holst fund should be drawn down by \$10m a month that Mr Arafat characterised as "derisory", and prompted him to dispatch Mr Ahmed Qurei, the economy supreme in the new administration, to Washington for talks at the end of last week.

The result has been an agreement to step up the monthly payments to \$13m, but the quest continues for more donations to the fund.

# Bhutto in missile warning

By Tim Cooney in Dublin

India's plans to deploy a medium-range missile system with its armed forces threaten to trigger a regional arms race in southern Asia, Mr Benazir Bhutto, Pakistan's prime minister, warned in Dublin yesterday.

On a three-day official visit, she said Pakistan has shown "tremendous restraint" by not responding in kind to India's testing of a nuclear weapon and the successful test-firing of its Prithvi missile system.

"We have not detonated a (nuclear) device, although India has detonated a device. We have shown tremendous restraint." But the increase in India's defence budget and its recent decision to deploy the Prithvi missile system with its artillery corps have been "highly provocative, (and) threatens to trigger a missile race in the sub-continent."

The Prithvi is believed capable of carrying a nuclear warhead up to 250km.

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## NEWS: OECD ECONOMIC OUTLOOK

■ Steady growth and low inflation forecast ■ Government debt remains a problem ■ Warning on jobs

## World recovery gathers pace

By Gillian Tett in Paris

Economic recovery is now well under way in the industrialised world, with the US, Japan and Europe all forecast to see steady growth and low inflation over the next two years, the Organisation for Economic Co-operation and Development reports in its latest half-yearly outlook.

But this growth may not be enough to solve the longer term problem of government debt, and the industrialised economies will need to expand more rapidly than in the last two decades if they are to return to a period of high employment, the report adds.

The Paris-based body, which represents 25 industrialised nations, paints an upbeat picture of current prospects. For the first time since 1991 the OECD has revised its forecasts of growth upwards, with the industrialised economies expected to expand by 2.5 per cent this year and nearly 3 per cent next.

The OECD's last forecast, made in November, envisaged 2.1 per cent growth this year and 2.7 per cent in 1995.

The US, the UK, Australia and New Zealand are at the

forefront of this growth, with recovery in these countries now well entrenched, the report says. But the outlook for Japan has also brightened. And though domestic demand remains weak in continental Europe, rising exports are expected to lead to steady

economist, said yesterday, echoing the OECD's jobs study released earlier this year.

Although unemployment is projected to decline slightly next year, most of the improvement will be in the US.

The report warns that unemployment in Europe will

tightened fiscal policy since last year. But even if the governments stick to these fiscal measures, this will still only stabilise the deficit at 1.3 per cent of GDP by the end of the decade - a level that would leave the total public sector debt running at around 75 per

cent of GDP, the OECD says - though the increase in rates may reflect rising inflation expectations or public sector debt concerns in some countries, it is also being driven by greater market volatility and increased risk-aversion among market traders, the report says.

In the US, where recovery is strong and spare capacity levels low, a "neutral" policy is needed to ward off inflation, the report suggests.

In other countries such as the UK and Canada, which are also seeing recovery but with higher levels of spare capacity, the same forces that pushed up US interest rates will increasingly come into play.

But in countries where recovery has barely begun - such as Japan - there may be more room for easier monetary conditions. Nevertheless, the OECD concludes: "In all countries, insofar as real long-term interest rates are considered to be too high, the solution is more likely to be found in more ambitious reduction of budget deficits."

Editorial Comment, page 19  
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**The most pressing basic policy problem remains high unemployment, especially in Europe where it is rising. Although unemployment is projected to decline slightly next year, most of the improvement will be in the US**

growth and a significant turnaround in Europe's trading position.

The European OECD countries reported a \$4bn (£2.6bn) trade deficit in 1992, and a \$66.7bn surplus last year. The trading position is expected to rise to a \$12.7bn surplus this year.

However, in spite of this optimistic forecast, the OECD insists that "this is not the time for any relaxation of policy effort".

"The most pressing basic policy problem remains high, and in Europe still rising, unemployment," Mr Kumiharu Shigehara, the OECD's chief

remain at some 12 per cent of the labour force.

Another cloud on the horizon is the high level of government debt, which seems set to be a continued drag on economic growth, the report adds. During the recent recession government budget positions across the industrialised world weakened by, on average, 3 per cent of GDP, the report notes.

In the short term the OECD believes that this deficit will drop slightly because recovery should boost budget positions and most OECD countries - with the notable exception of Japan - have

cent of GDP for the OECD as a whole, well above the 60 per cent levels seen in the late 1980s, the report warns.

And if growth slows - a distinct possibility, according to the OECD - the debt position could be far worse. "Only slightly lower growth - by half a percentage point per year - could lead to debt levels in 2000 averaging close to 85 per cent of GDP," the report says.

A third worrying sign, the OECD says, comes from the recent rise in long-term interest rates on financial markets.

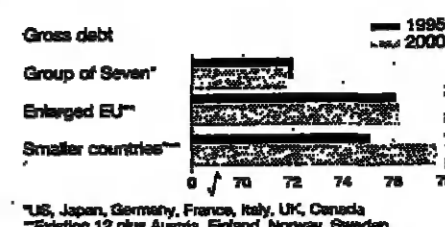
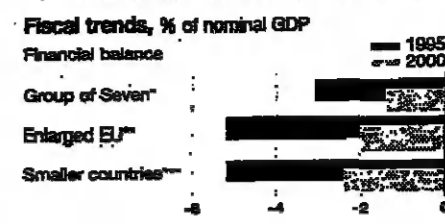
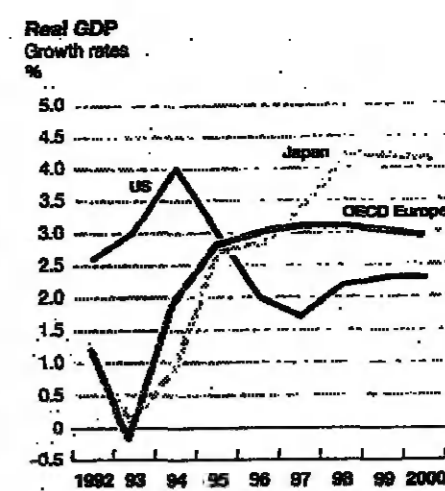
The policy implications of this rise vary for different

## OECD Outlook for the medium-term

Summary of projections  
Seasonally adjusted at annual rates

	1994	1995	1996
<b>Real GDP (% change)</b>			
US	4.0	3.0	2.0
Japan	0.8	2.7	2.8
Germany	1.8	2.6	2.8
OECD Europe	1.9	2.8	3.0
Total OECD	2.6	2.9	2.8
<b>World Trade (% change)<sup>1</sup></b>	6.7	7.2	6.9
<b>Inflation (% change)<sup>2</sup></b>			
US	2.1	2.8	3.2
Japan	0.8	0.8	1.1
Germany	2.3	2.0	1.9
OECD Europe	2.3	2.4	2.4
Total OECD	2.1	2.3	2.5
<b>Unemployment (% of labour force)</b>			
US	6.3	5.8	6.0
Japan	2.9	2.8	2.8
Germany	10.0	10.0	9.3
OECD Europe	11.7	11.8	11.6
Total OECD	8.5	8.3	8.2
<b>Budget balance (% of GDP)<sup>3</sup></b>			
US	-2.6	-2.1	-1.6
Japan	-1.9	-1.7	-1.1
Germany	-2.9	-2.8	-2.8
OECD Europe	-3.1	-3.2	-3.4
Total OECD	-3.0	-3.3	-2.7
<b>Current balance (% of GDP)<sup>4</sup></b>			
US	-2.1	-2.1	-2.1
Japan	2.6	2.5	2.3
Germany	-0.7	-0.2	-0.1
OECD Europe	0.7	1.0	1.1
Total OECD	0.1	0.1	0.1

<sup>1</sup> Arithmetic average of growth rates of total import and export volumes.  
<sup>2</sup> GDP deflator.  
<sup>3</sup> Excluding Turkey.  
<sup>4</sup> General government financial balance as % of nominal GDP.  
<sup>5</sup> Excluding Iceland, Luxembourg, New Zealand, Switzerland and Turkey.



<sup>1</sup> US, Japan, Germany, France, Italy, UK, Canada.  
<sup>2</sup> Existing 12 plus Austria, Finland, Norway, Sweden.  
<sup>3</sup> Australia, Austria, Belgium, Denmark, Finland, Greece, Ireland, Netherlands, Norway, Portugal, Spain, Sweden.

## Japan's growth may be slowed by strong yen

The strengthening of the yen could undermine economic growth in Japan by reducing the level of Japanese exports, the OECD outlook warns, writes Gillian Tett.

Through the Japanese economy is expected to pick up this year, it is still the slowest growing of the "big three" industrialised economies, lagging behind the US and Germany, the report adds.

With the Japanese economy still very weak, the main factor in the projected turnaround in the economy will be the fiscal package unveiled by the Japanese government in February, the OECD says.

The combination of tax cuts and higher public spending is expected to boost consumption and residential investment, leading to higher growth later this year.

But Mr Kumiharu Shigehara, OECD chief economist, yesterday warned that in the light of the yen's recent strengthening on the markets, "recent financial market developments

entail the risk of weaker growth of output in Japan".

A weaker dollar could also add to inflationary pressures in the US, Mr Shigehara added. However, he pointed out that in spite of the dollar's decline against the yen, it remained strong against most other currencies.

And though growth in US GDP is forecast to slow to 3 per cent next year, this rate is still expected to reduce the unemployment rate "below levels consistent with stable inflation", the report says.

The strong US demand is expected to suck in more exports, leading to a deterioration in the US balance of trade.

In European countries such as Germany, in contrast, rising exports are expected to be a key factor in economic growth - though the OECD also warns that German output growth will be slow in 1994, with domestic demand not expected to pick up until 1995.

## Rise in British investment forecast

The recovery in Britain will become more broadly based this year, resulting in a steady pace of growth, the OECD forecasts in its outlook, writes Gillian Tett.

Although the UK's economic improvement is now well entrenched, business investment was, until recently, "the missing ingredient", the outlook says. But in the coming months private investment should start to support the recovery "as company balance-sheet positions and cash flow continue to improve", the report adds.

The OECD's overall forecasts for the economy are slightly more upbeat than the UK government's own estimates.

Whereas the UK Treasury forecast earlier this week that GDP would grow by 2.75 per cent this year and next year, the OECD predicts growth of 2.8 per cent this year, followed by 3.2 per cent in 1995.

Consumers are forecast to continue spending, in spite of April's tax rises, although private consumption growth is expected to dip slightly in the second half of this year, it is expected to pick up after that. The main factors boosting this growth, the OECD says, will be a rise in employment, a further fall in the household savings rates, and a mild rise in house prices.

The inflation outlook "remains benign", the report says, although the OECD's forecasts are slightly higher than those of the Treasury. The OECD's internationally comparable measure of consumer price inflation forecasts a rise of 2.9 per cent this year, while the government forecasts underlying inflation will be 2.3 per cent at the end of this year.

## Debate on 'zero inflation' reopens

The battle against inflation is proceeding well - but governments now need to gear up for the next stage of the campaign. With inflation forecast to remain at low levels across the industrialised world, it is time to clarify the longer term inflation goals, says the OECD, writes Gillian Tett.

Part of the problem stems from the monetary authorities' own success, it says. In the past, most governments have assumed that their goal was to achieve "low inflation", often implicitly defined at around 2 per cent.

But inflation is now running near this level in many countries, and is forecast to remain stable over the rest of this year before rising slightly in 1995.

As a result, the question of whether governments should be aiming lower for "zero inflation", has re-entered the policy arena, the report says.

Supporters of this zero target, the OECD points out, claim that this would "provide a clear, easily communicated goal".

However, the OECD suggests that a "zero" goal is dogged by problems. Governments which announce a zero goal run the risk of looking overly ambitious and losing market credibility. Indeed, once inflation falls to these very low levels, there may be problems assessing the target number itself - consumer price indices in the US and Canada in particular become more ambiguous once inflation falls below 3 per cent.

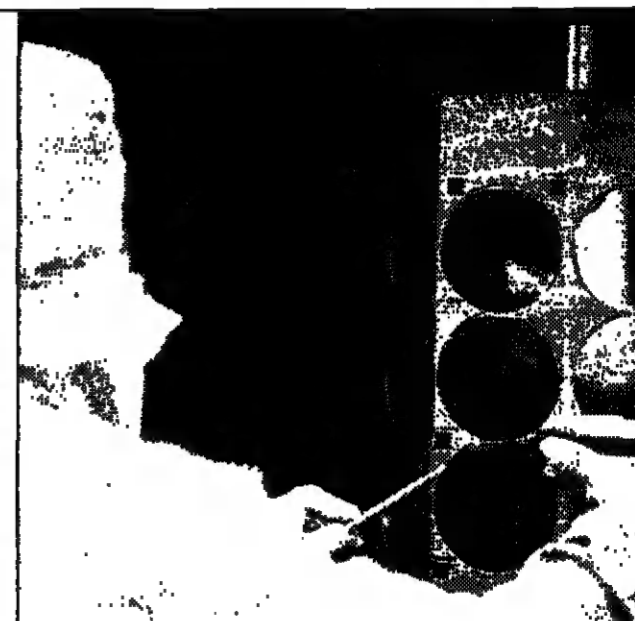
As a result, the OECD concludes that most governments will continue to aim for above zero targets - although it warns that "a good deal of judgment is required as to what they might imply in numerical terms".



Matra Marconi Space.

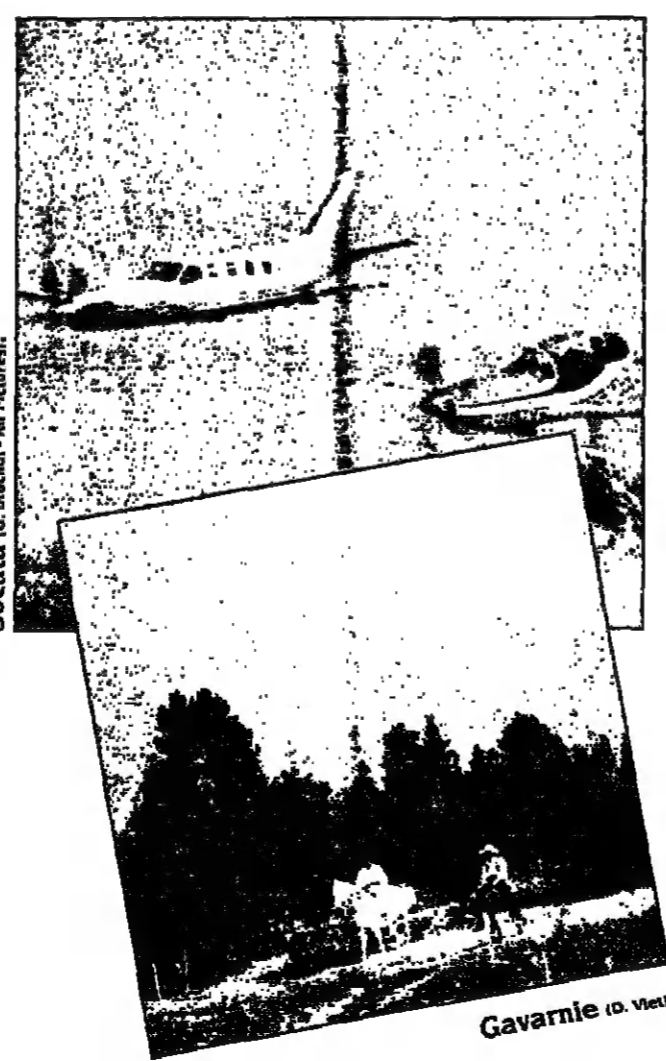


Armagnac (D. Viet).



Motorola.

## TOULOUSE MIDI-PYRENEES MEANS



Socata (C. Bruchet - M. Roussel).

Gavarnie (D. Viet).

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Toulouse Midi-Pyrenees, the largest region in France, is a gateway to Spain. The region is linked to the European super-highway network. Two international airports (Toulouse-Margat and Tarbes-Ossun-Lourdes) put the region within a few hours of the other economic capitals of Europe. The region is a meeting place for students, researchers and executives from every country. International events such as the SITEF (International Market for Advanced Technologies) and the FAUST (International Forum linking Technology and the Arts) confirm our world class appeal, as do the International High School and daily trade between the region and companies throughout the globe. Toulouse Midi-Pyrenees has staked its future on internationalism.

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10,500 researchers work in 343 labs. Six joint labs combine the talents of public research and private enterprise. Eight Regional Innovation and Technology Transfer Centers specialise in agri-industries (Auch), materials (Tarbes), wood, materials and surface treatments (Rodez), sensors and actuators (Albi), textiles (Mazamet), agri-resources, bio-industries and industrial engineering (Toulouse). One thousand contracts are signed between industry and research every year. Toulouse Midi-Pyrenees is betting on synergism with business.

## AFTER PARIS, THIS IS THE TOP EDUCATIONAL REGION IN FRANCE

100,000 students study here. There are seventeen prestigious Grandes Ecoles in

the cities of Toulouse, Tarbes and Albi. The success rate for the Baccalaureat exam here is 81.3% compared to the national average of 75.5% (1993). University annexes, University Technology Institutes or advanced technical certificate programs exist in most of the medium sized towns (Albi, Auch, Castres, Figeac, Montauban, Rodez and Tarbes). Toulouse Midi-Pyrenees is a storehouse of talent.

## PRIVILEGED LINKS WITH GREAT-BRITAIN

284 foreign companies have chosen to locate in Toulouse Midi-Pyrenees. Major groups among these include Siemens, Bosch, Motorola and StorageTek. They are backed up by innovative small and medium sized companies such as Positronic (US) in the city of Auch and WM Corporation (Swit) in Bagnères-de-Bigorre. With fifty-one firms, Great-Britain is the second most important investor here, after the US. British firms located here include British Aerospace, Grand Metropolitan and GEC Alsthom. As students, investors or scientists/engineers involved in aerospace or other businesses. Some 5,000 British nationals reside in Toulouse Midi-Pyrenees.

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For professional help and advice on your business development in Toulouse Midi-Pyrenees, please contact:  
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Tel 071 370 6939 - Fax 071 835 2081

Fiske inquiry finds White House aide Foster's death was suicide

# S&L probe clears Clinton

By Ken Warr in Washington

Mr Robert Fiske, the special prosecutor investigating the Whitewater affair, yesterday said he would not bring criminal charges over a savings and loan investigation involving President Bill Clinton.

Mr Fiske also confirmed police findings that Mr Vincent Foster, a White House aide, committed suicide.

Mr Fiske was releasing his first findings on Whitewater since he was appointed by Ms Janet Reno, the attorney general, this year. The probe, which originally centred on Mr and Mrs Clinton's financial dealings in Arkansas in the late 1970s and 1980s, later broadened to include the White

House's handling of investigations into these dealings and Mr Foster's death.

The report concludes there is insufficient evidence that meetings between the then deputy Treasury secretary, Mr Roger Altman, another Treasury official and White House staff to discuss an investigation into Madison Guaranty, a failed Arkansas saving and loan, broke the law.

Some of Mr Clinton's opponents have implied that the White House might have wanted to influence the investigation into Madison Guaranty. Federal investigators claim that Madison may have improperly diverted depositors' funds to Mr Clinton's gubernatorial campaign and to the

Whitewater property development in Arkansas, in which the Clintons had a stake.

The report dismissed allegations that Mr Foster's death - he was found shot in July 1993 - might have been other than suicide. It also concluded that matters relating to Whitewater and to Madison did not play a part in it.

In an extensive examination of Mr Foster's state of mind, Mr Fiske points to a wider pattern of depression. Mr Foster had been exhausted and anxious, particularly over criticism of his role in the sacking of employees from the White House travel office.

The White House said the findings showed neither the president nor his wife broke

any laws in the affair. The report on Mr Foster, a long-time friend of Mr Clinton and his wife's former law partner, was especially welcomed. "This should put to rest the irresponsible speculations - many of them politically motivated - that something more sinister occurred," said Mr Lloyd Cutler, the White House special counsel.

However, Mr Fiske has not completed an investigation into the handling of Mr Foster's documents immediately after his death. This was in his final stages and should be finished shortly, Mr Fiske said.

His investigation is now expected to focus on the Clintons' Arkansas business dealings, but a final report could be



Fiske: inquiry broadened

months if not years away.

Congress is also due to begin its own hearings into some aspects of Whitewater this month.

# Christopher's line on Haiti pleases Senate

Military blamed for number of refugees, reports George Graham

Blaming the upsurge in the number of Haitians fleeing their country on "the illegitimate military regime's repression", US secretary of state Warren Christopher yesterday insisted that diplomatic and economic pressure would succeed in driving out the military leaders who ousted President Jean-Bertrand Aristide three years ago.

"The longer the tragic situation continues, the harder it will become for those wealthy people who have propped up the dictatorship. In particular, the more protracted the crisis, the more tenuous is the future of the Haitian military," Mr Christopher told the Senate foreign relations committee yesterday.

Over 3,500 Haitians have been picked up by the US Coast Guard in the last four days, fleeing to the US in small and often home-made boats and threatening to swamp the refugee processing system the administration has set up in Jamaica.

The Turks and Caicos Islands have agreed to allow the US to set up another processing centre and President Bill Clinton has decided to reopen a refugee camp at the US Guantanamo Bay military base in Cuba - a solution adopted

by former President George Bush before he decided simply to repatriate all Haitians picked up at sea.

Mr Christopher's insistence that the exodus was caused by the military regime's repression was designed to head off criticism that the administration had virtually invited Haitians to flee by conveying the impression that they stood a better chance of winning asylum at the new processing centre in Jamaica than in the three centres already operating in Haiti.

The administration has also tried to ratchet up its sanctions on the regime of the military leader, Gen Raoul Cedras. Earlier this week, it revoked almost all visas held by Haitians, to reinforce its existing ban on commercial flights to and from Haiti.

Mr Christopher's comments came as part of a wide-ranging discussion of US foreign policy issues before a panel of senators, many of whom were visibly worried at the prospect that the US might tire of waiting for sanctions to work, and turn to military force to restore Mr Aristide.

"All we are hearing is invasion, invasion, invasion," grumbled Senator Jesse Helms, the extreme right-winger from North Carolina who is the senior Republican on the foreign relations committee.

Mr Christopher won applause - rare and welcome in recent months, when the administration's foreign policy team has been under steady attack for inconsistency and indecisiveness - from both Mr Helms and Senator Claiborne Pell, the Rhode Island Democrat who chairs the committee. "I'd like to commend the president and the secretary for the steady hand they have exercised at the tiller of the foreign policy ship of state... We have not been goaded into an untimely, unwise use of force, whether in North Korea or Haiti or Bosnia, that would have jeopardised American lives for an uncertain outcome," Mr Pell said.

Mr Christopher said his efforts were focused not just on immediate problems but on "what I believe to be the most important contribution that I can make to American foreign policy": the creation of long-term relationships and structures to last beyond short-term uncertainties that he likened to those facing President Harry Truman and secretary of state Dean Acheson at the end of the second world war.

"They met the challenges of reconstruction after world war II, and we are meeting the challenge of reconstruction in the post-cold war period now," Mr Christopher said.

# Gurus of grunge in antitrust ticket claim

By Jeremy Kahn in Washington

The gurus of grunge music - the Seattle-based modern rock band Pearl Jam - yesterday accused Ticketmaster, the US ticket distributor, of violating antitrust laws, to a packed congressional hearing.

The US Department of Justice, at Pearl Jam's behest, launched a formal investigation in May into Ticketmas-

ter's virtual monopoly on sales in the US entertainment markets. A House subcommittee that oversees justice department operations called yesterday's hearing to look into Pearl Jam's allegations.

The dispute centres on the service charges Ticketmaster adds to the price of the seats it distributes. Pearl Jam, who have pledged to keep their ticket prices under \$20, claims these charges

make it impossible to stage low-cost concerts.

Band members testified that they were unable to find an alternative ticket distribution system because Ticketmaster has cornered the market in the US after the Justice Department gave it permission to acquire its falling competitor, Ticketron, in 1991.

"It is today virtually impossible for a band to do a tour of large arenas or

other significant venues in major cities and not deal with Ticketmaster," Mr Stone Gossard, Pearl Jam's guitarist, said.

But Mr Fred Rosen, Ticketmaster's chairman, denied his company was violating anti-competitiveness laws: "It is frankly a matter of some concern to us that a rock band can, by virtue of their celebrity status, cause this kind of hearing to take place."



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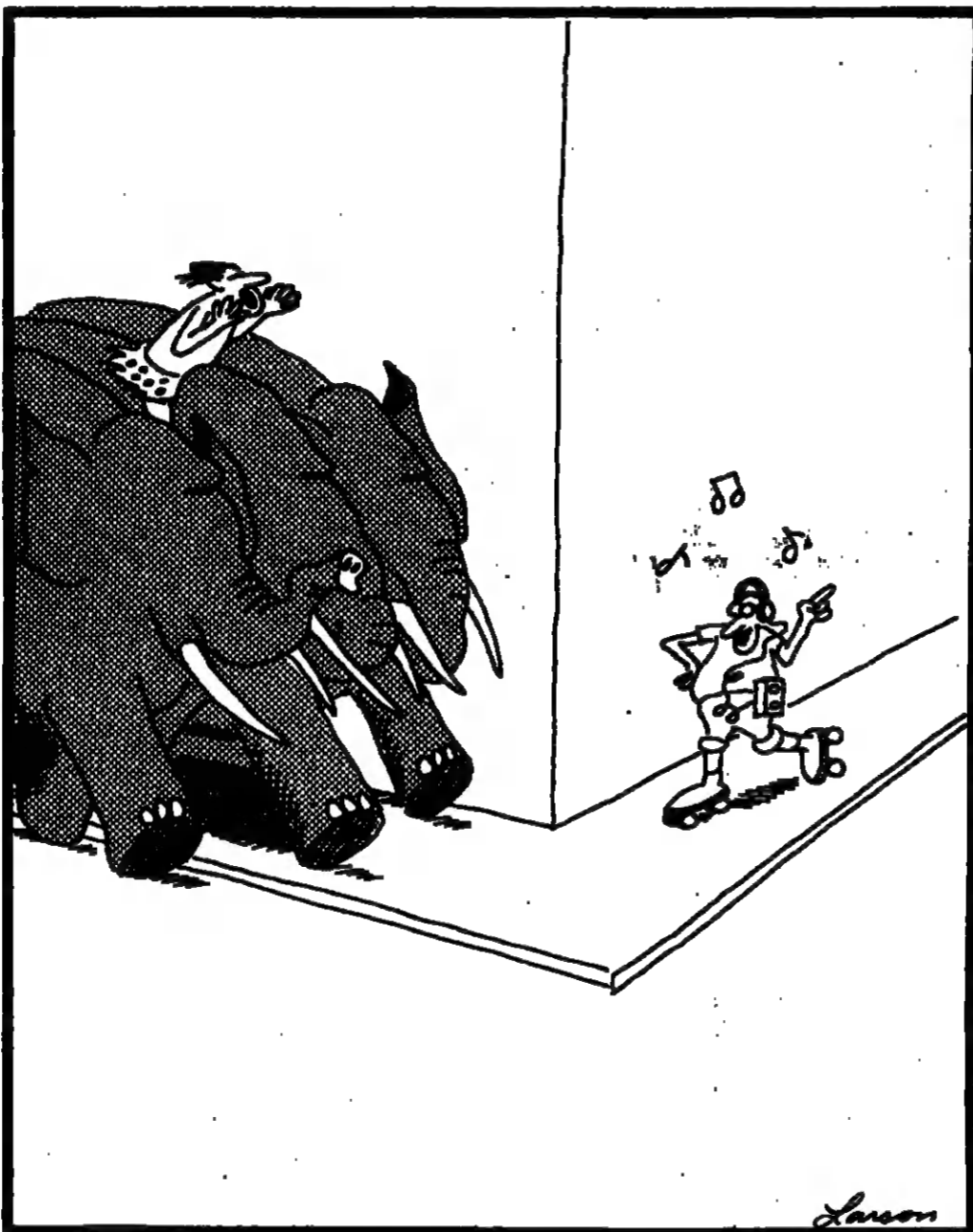
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Account Name (s)

4 Signature of holder (s)

Date  19

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## NEWS IN BRIEF

### Supreme Court rules out Florida electoral plan

The US Supreme Court yesterday threw out a Florida redistricting plan that would have increased the number of Hispanic-dominated election districts for the state House of Representatives, AP reports from Washington.

The justices said a lower court erred when it decided that Hispanic voters were disadvantaged under an earlier plan adopted by state lawmakers.

The court also ruled 5-4 in a separate case from Georgia that federal voting rights law does not require a county to expand its county commission, which consists of only one member, to give black residents a stronger voice.

The court rejected arguments that Blackley County's single-member commission illegally diluted black voting strength. Blacks make up 22 per cent of the county's population but have never been able to elect a black commissioner.

Both cases have been closely watched as an indicator of the Supreme Court's view of how much is required under the 1965 federal Voting Rights Act to give minorities a proper chance at the polls.

I CAN'T HELP IT - I STILL FEEL THREATENED



### Bald eagle off endangered list

The American bald eagle, symbol of the US, is off the critical list after nearly reaching extinction three decades ago, writes Ken Warr from Washington. The US Fish and Wildlife Service yesterday proposed an upgrade in the bird's status from "endangered" to merely "threatened".

The number of bald eagles outside Alaska sank to a low of 417 pairs in 1963. However, last year, over 4,000 pairs were counted. Instrumental in the bird's recovery was the banning in 1973 of the pesticide DDT. The pesticide, in wide agricultural use in the 1950s and 1960s, built up in the food chain killing many wild birds.

Environmentalists halted the recovery as a triumph for the 1973 Endangered Species Act, now before Congress for re-authorisation. However, opponents of renewal argue that the act imposes too many restrictions on owners of property where endangered species live, impeding development.

The change in status, likely to become final in 90 days, means the birds will continue to be monitored by federal law, but not on an individual basis.

### Space station plan survives vote

The planned US space station survived a critical vote in the House of Representatives by a wide margin late on Wednesday, but the \$900m (£19.7bn) project may have to be trimmed back when it comes before the Senate, writes Jeremy Kahn.

After intensive lobbying by the administration, the full House voted 278-155 to defeat an amendment to kill the programme. Many feared killing the station would be a death blow for the National Aeronautics and Space Administration, which has been hard hit by congressional budget hawks in recent years. Opponents say the station is "too much money for too little science".

### Redesigns 'do not destroy jobs'

The fashion for redesigning jobs to increase the efficiency of work processes has proved to be less of a job-killer than expected, a study of organisations in Europe and North America published yesterday shows, writes Christopher Lorenz. But it has also produced less striking improvements than was hoped in productivity, cost levels and timeliness.

The survey of more than 600 European and North American companies was carried out by CSC Index. It concludes that many companies are mis-applying re-engineering by being under-ambitious, and by focusing too much on cost reduction, rather than revenue creation. Small doses only, Page 12

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## 'State takeover' of Venezuelan banks

By Joseph Menn in Caracas

The Venezuelan cabinet has approved a decree which effectively gives the government full, direct control over the country's troubled banking system.

This is the most recent measure taken by the five-month-old government of President Rafael Caldera to confront a crisis in the financial system first made public last January, when the country's second-largest bank, Banco Latino, failed. Earlier this month, the government closed down eight financial institutions that had been kept afloat by official financial assistance.

The decree calls for the establishment of an Emergency Financial Board with the power to order banks and other financial institutions to take any measures deemed necessary, remove and replace directors and executives, sus-

pend an institution's licence to operate, and take over any or all of the company's shares in the name of the government.

Among its powers, the board can order a healthy bank to "recycle" its deposits to banks that are in trouble. One local banker, who asked not to be identified, warned: "If this is not handled intelligently, it could mean the end of Venezuela's financial system."

The panel, chaired by the minister of finance, includes the president of the Central Bank of Venezuela, the president of the Bank Deposit Guarantee Fund (Fogade), and the Superintendent of Banks.

Earlier this week Mr Julio Sosa, the minister of finance, said: "I hope it will not be necessary to nationalise Venezuela's banks, but this cannot be dismissed. Everything depends on the financial system's performance."

However, as he announced

the new decree on Wednesday night, Mr Guillermo Alvarez Bujales, minister of information, said, "In fact, we can call it a state takeover."

At the same time, the finance minister asked the presidents of some of the country's largest banks to reduce their interest rates on loans by 15 percentage points as part of the government's anti-inflation programme. Rates on 30-day commercial loans are now at an annual 66.67 per cent, while rates on passbook savings and longer term deposits range from 10 to 50 per cent.

On Wednesday, the cabinet also approved a decree ordering the payment of a special bonus of \$30 (£19.70) a month (equivalent) to workers earning up to \$225 per month. This means that both the government and private companies will be in effect obliged to provide a big wage rise to most employees starting on July 1.

## Brazil's answer to inflation: get Real

Angus Foster on the biggest currency switch 'in the history of the planet'

From midnight last night, all bank accounts in Brazil were switched electronically from cruzeiro real to the Real (R\$), the new currency which the country's monetary masters hope will wipe out an inflation rate of 50 per cent a month.

"There has never been such a replacement of money in the history of the planet," said Mr Alcides Augustinho Callari, president of Bank of Brazil.

Preparations for the change-over have been under way for several weeks. Armoured cars, escorted by the army, have been delivering new currency to bank branches around the country and the central bank has started incinerating cruzeiro real notes - and is likely to do so for months.

The old currency will continue to be legal tender for two weeks, at a set exchange rate of R\$1-Cr\$2,750, while the \$30m or so of outstanding notes and coins are swapped into Reals. It is not the first time Brazil

has changed its currency. The four previous occasions since 1966 involved simple changes of the unit's name or the slicing off of zeros. This time a completely new currency regime is being introduced.

The Real has been set at parity with the US dollar. A special interim accounting unit introduced in February, called the Unidade Real de Valor (Urv), also equal to the dollar, has helped prepare most wages and prices for the switch.

Salaries which were quoted in cruzeiro reals were switched to Urvs from April and, from today, will be switched from Urvs to Reals at a rate of 1:1.

Contracts covering everything from housing rents to school fees, which previously had to be corrected regularly to keep pace with inflation, are being transferred into Reals based on average prices over the last four months.

Shopkeepers were encouraged to use the Urv in preparation for the Real. But most

shop prices will be switched into the new currency from today. Supermarkets were closed yesterday while price labels were changed.

Despite a TV and pamphlet campaign and a telephone information service, the government is worried many people still do not understand the mechanics of the changeover.

The parity link with the US dollar will be maintained for an "indeterminate" time - probably until after presidential elections in October - through intervention in foreign exchange markets with the help of the country's near \$40m in reserves.

The supply of the new currency will also be limited, to \$29.5bn between now and April, a slightly higher limit than expected. But the central bank will have a 20 per cent cushion in the case of emergencies. There is concern that the targets could be shifted.

Dollar parity and insurance limits are likely to reduce

inflation at least for a few months, according to economists. And with the interest rate futures market for July indicating a nominal rate of about 7 per cent, some say inflation will fall to 2-3 per cent a month by August.

This price stabilisation could lead to a \$20bn "windfall" for consumers as their salaries' purchasing power remains stable. This has led to fears of a consumer boom and widespread shortages. As a result, real interest rates are likely to remain high for some months.

President Collor Franco is keen that interest rates fall quickly. However, Mr Pedro Malan, president of the central bank, said that if interest rates fell too quickly, money invested in government debt would flee to other assets, such as land and cars, leading to an "explosion of consumption".

President Franco is thought to have vetoed original plans to boost the autonomy of the central bank and strengthen

its role in the National Monetary Council, Brazil's chief financial authority, because of this dispute over interest rates.

State and federal banks, which rely on profits from inflation to pay for overvalued and often politically inspired loan policies, may face difficulties if inflation stays low. In an election year, the government is unlikely to close loss-making banks. Instead, the central bank may be told to provide short-term support, again placing in question the credibility of money supply targets.

Economists say the plan faces even more serious challenges in the medium term. Congress failed this year to revise the constitution, which places unreasonable spending demands on the government.

"We have a combination of conditions to lead to stability in the next few months. To consolidate that over the long term is up to [the future] government," said finance minister Mr Rubens Ricuperon.

### WORLD CUP

## World crashes in on soccer's prodigal genius

Diego Maradona's spectacular tournament comeback has been obliterated by a positive drug test

The world's best-known soccer delinquent, Argentina's Diego Maradona, was booted out of the World Cup yesterday for taking a common - but banned - anti-asthma medication which is also a powerful stimulant. In a two-part drugs test, Maradona tested positive for ephedrine and was expelled from the tournament.

Immensely talented and super-rich, Maradona had clawed his way back to the pinnacle of international soccer at this World Cup following a career marked by wine, women, drugs and song - plus suspension for cocaine abuse.

Fifa, soccer's governing body, announced Maradona's suspension minutes after Argentina had withdrawn him from the competition anyway.

Maradona led Argentina to World Cup victory in 1986. This was his fourth appearance in the tournament - he should have made a World Cup record 22nd match appearance, against Bulgaria, late yesterday.

Julio Grondona, president of the Argentine Football Association (AFA), originally claimed that the incident might be a "minor issue," but blamed Maradona's private physician for allowing the star to use ephedrine during World Cup play.

Diagnostica Daniel Cerrini had prescribed the drug and was "very sorry because it was something

that was done unintentionally."

Ephedrine is a common nasal decongestant available over the counter in Maradona's home country. It is used to treat asthma, hay fever and allergies and acts on the body much like adrenaline, increasing blood pressure and heart rate.

It was ephedrine that caused American swimmer Rick DuMont to be stripped of a gold medal at the 1972 Olympic Games. DuMont said he was taking ephedrine only under a doctor's prescription for a long-standing asthma condition.

Maradona, in the midst of a spectacular World Cup comeback after cocaine almost blotted out his career, led Argentina to victories in their first two games of the present competition.

Late yesterday Argentina were playing Bulgaria in the last of their first-round matches at the Cotton Bowl, Dallas. They have already qualified for the next round.

This is not the first time the flamboyant Maradona has failed a drugs test. He was banned from international soccer for 15 months in 1991-93 by Fifa after testing positive for cocaine, following a game for Napoli of Italy in March 1991. The

next month he was arrested in Buenos Aires and charged with possession and use of drugs.

Scoffing of critics who said he was as "fat as a pig," Maradona shed 28lb and nursed himself back to health and fitness so as to join the present Argentine side. He had been making an impressive comeback when - yet again - he ran off the rails.

Sources close to Fifa said that it normally considered drug offences "on a case-by-case basis."

Fifa has declined to join a worldwide effort to standardise drug punishment in sport sponsored by the International Olympic Committee. The IOC's accord generally splits drugs into two groups - those such as caffeine, which can act as a stimulant if taken in large doses, and others such as anabolic steroids, taken only to enhance performance.

Argentina would remain in the World Cup, with or without Maradona, Grondona said.

Two players have been banned by Fifa for positive dope tests at previous World Cups: Ernest Jean-Joseph of Haiti, in 1974, and, four years later, Scotland winger Willie Johnston, who tested positive for an

illegal substance he used medicinally. He was sent home.

Simon Kuper adds: Prior to his latest troubles, Maradona had felt himself part of the best Argentine side he has played for - better, even, than the World Cup teams of 1986 and 1990. In 1986 Maradona more or less was Argentina. In 1990 their line-up was Maradona, Claudio Caniggia - and nine thugs.

"We've got the stuff that makes world champions," Maradona said of the present team. Napoli, Boca Juniors and Bolivar of Bolivia have been jostling to sign him.

The big question is why, at 33, after nearly a year out of soccer, Maradona bothered to turn up for his fourth World Cup. This is a man with nothing more to win - so full of cortisone injections that he could end up in a wheelchair and so rich that "my daughters will eat caviar every day for the rest of their lives."

He keeps going because he is not only rebellious but intensely competitive. He said that on the night Argentina scraped past Australia to qualify for this World Cup, he "wanted to be the last guy to leave the stadium. I wanted to turn off the lights and walk out with the last fan."

Maradona had talked of managing the Argentine side soon, but it was hard to see the working. Somehow he will have to find something else to keep him off the streets.

### World Standings

GROUP A	P	W	D	L	GD	Pts
Romania	3	2	0	1	0	6
Switzerland	3	1	1	1	-1	4
USA	3	1	1	1	0	4
Colombia	3	1	0	2	-1	3

GROUP B	P	W	D	L	GD	Pts
Brazil	3	2	1	0	+5	7
Sweden	3	1	2	0	+2	5
Russia	3	1	0	2	+1	3
Cameroon	3	0	1	2	-3	1

GROUP C	P	W	D	L	GD	Pts
Germany	3	2	1	0	+2	7
Spain	3	1	2	0	+2	5
S.Korea	3	0	2	1	-1	2
Bolivia	3	0	1	2	-3	1

GROUP D	P	W	D	L	GD	Pts
Argentina	2	2	0	0	+5	6
Nigeria	2	1	0	1	+2	3
Bulgaria	2	1	0	1	+1	3
Greece	2	0	0	2	-8	0

GROUP E	P	W	D	L	GD	Pts
Mexico	3	1	1	1	0	4
Ireland	3	1	1	1	0	4
Italy	3	1	1	1	0	4
Norway	3	1	1	1	0	4

GROUP F	P	W	D	L	GD	Pts
Holland	3	2	0	1	+1	6
Saudi Arabia	3	2	0	1	+1	6
Belgium	3	2	0	1	+1	6
Morocco	3	0	0	3	-3	0

II Late games	
GROUP D	
Argentina vs Bulgaria	
Dallas (12:30 am ET, BST)	
Greece vs Nigeria	
Boston (12:30 am ET, BST)	

### Second round programme

The World Cup's second round, with 16 teams still in, starts tomorrow. It is the first of four knock-out rounds culminating in the final in two weeks' time. The last slots in the second-round programme were dependent on late games yesterday in Group D.

July 2: Switzerland vs Spain (Washington, 9:30pm, all times British Summer Time).

July 3: Germany vs a 3rd-place finisher (Chicago, 6pm).

July 3: Romania vs a 3rd-place finisher (Los Angeles, 9:30pm).

July 3: Saudi Arabia vs Sweden (Dallas, 6pm).

July 4: Brazil vs United States (San Francisco, 8:30pm).

July 4: Holland vs Ireland (Orlando, 6pm).

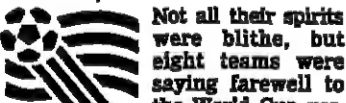
July 5: Group D winners vs a 3rd-place finisher (Boston, 6pm).

July 5: Mexico vs Group D runners-up (New Jersey, 9:30pm).

Quarter-finals: weekend of July 9-10, in Boston, Dallas, New Jersey and San Francisco; semi-finals: Wednesday, July 13 (New Jersey and Los Angeles); final: Sunday, July 17 (Los Angeles).

## An early bath for some patchy performers

Jurek Martin and Peter Berlin bid farewell to the first-round losers



Not all their spirits were blithe, but eight teams were saying farewell to the World Cup yesterday. Last night's matches determined whether Nigeria, Bulgaria or Russia would be the last to go, but here is a valediction to the seven who know there is no tomorrow.

South Korea proved again that there is something about the World Cup and teams from that tense and divided peninsula. They play their best against the best.

In 1986, the North, about whom nothing was known, put three fast goals past Eusebio's Portugal before succumbing. This year, the South, not much more of an open book, nearly pulled the trick in reverse against mighty Germany and had the brass nerve to score twice in the last six minutes to draw Spain.

They were as fit as any team here and faster than most. They made

chances but were wasteful, though four goals in three games is pretty close to the average.

Soccer is a coming sport in Asia, but only a small handful of its stars play outside Korea. Japan, with a professional league now flourishing, and South Korea are favourites to stage the 2002 World Cup.

Greece deserve a charitable veil drawn over their performance. Considered in advance the weakest team to come to America, they left with that opinion set in concrete. The easiest explanation is that all their players only play in Greek leagues, not Europe's strongest, and several are quite ancient.

But politics also come into it. This is appropriate for the historical home of democracy but less for soccer. Several players complained that their training was constantly

interrupted by the need to make public and political appearances with local Greek communities.

Being drawn to play Bulgaria was also not helpful; had Turkey qualified, it would have been worse.

Of Bolivia, participating after an interval of 44 years, little can be said, beyond noting that they scored a goal (against Spain) for the first time in World Cup history. There was some pretty football on display, especially against Germany, but more is needed if 44 more years are not to elapse.

Colombia have not enjoyed a great fortnight. Relations with the US are tense over the alleged narcotics connections of the new president. Far worse, the soccer team - Peto's pick to win it all, a team laden with talent, toughened by the experience of failure in Italy four

ago and no longer needing the erratic talents of René Higuita in goal - blew it.

The irony is that for long periods in their first match against Romania, Colombia lived up to their advance billing. They played dazzling attacking football and should have won comfortably. Part of the problem is that they played as if they knew that, too.

Cameroon's luck ran out in the US. All the familiar characteristics were there: opportunistic attacking, rough-edged defending, post-goal wiggles, rows over money. Though they were no longer an unknown quantity, they still came close to repeating an opening-match ambush, this time against Sweden. But once that match had ended in a draw the indomitable Lions were in trouble.

They finished their group games as they did in Italy: thrashed by a Russian team which had lost their first two games. Roger Milla became the oldest goal scorer in the World Cup finals, serving only to emphasise that this team are over the hill.

Morocco have been a contradiction: no points, two goals, beaten by the Saudis, yet one of the revelations of this World Cup. They ran the Belgians ragged, hitting the bar twice but were beaten by one goal-keeping error.

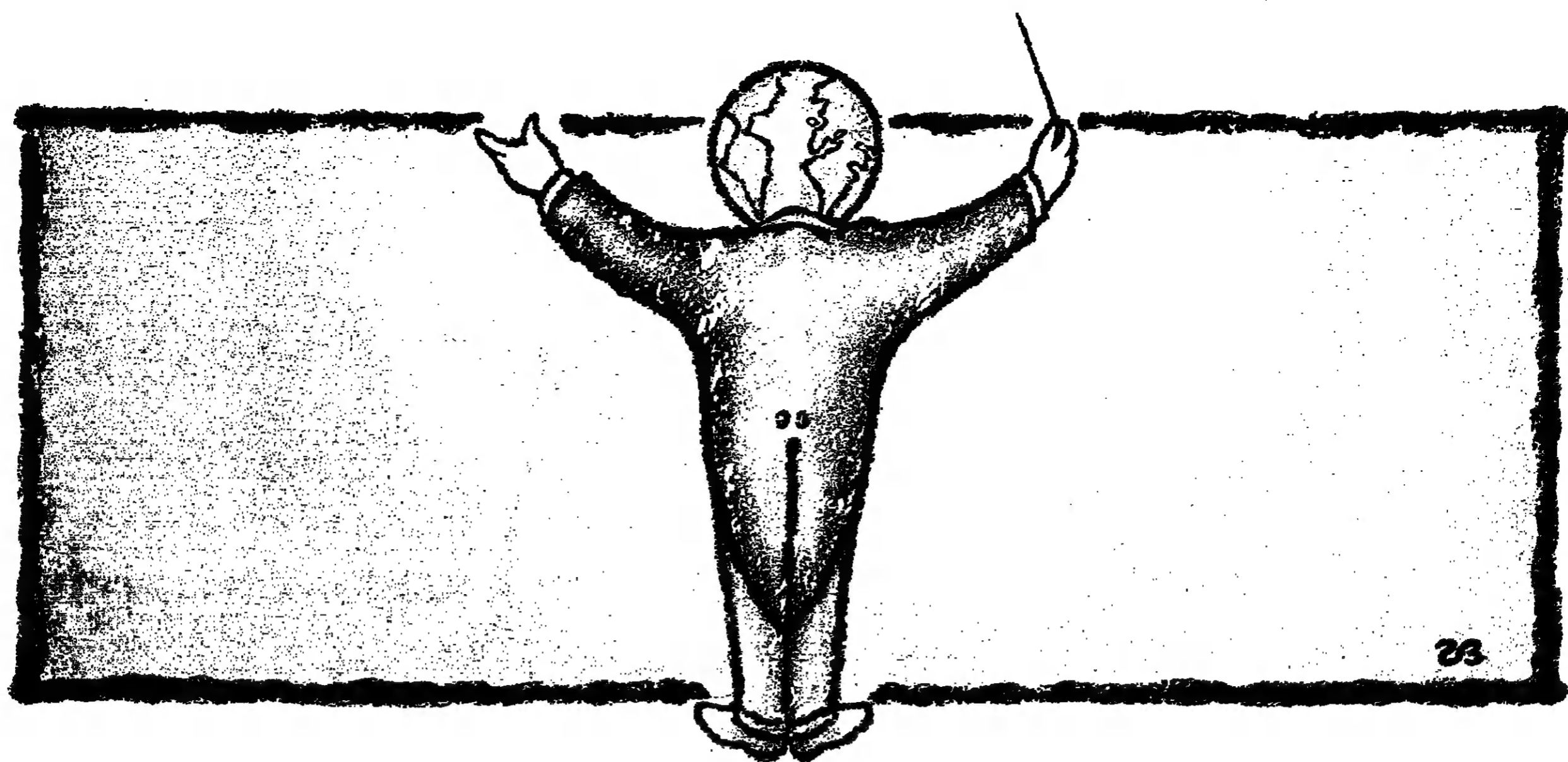
Against the surprising Saudis, the Moroccans again dazzled, again failed to turn attack into scores, again lost by one goal. They attacked with flair for spells against the Dutch and again lost by one goal.

The gap between the two Arab teams and the Belgians and Dutch

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There is only one thing worse than knowing your team is losing. Not knowing.



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## NEWS: UK

Rationalisation a further blow to fibres industry

## Du Pont to cut 1,200 jobs at European sites

By Paul Abrahams

Du Pont, the world's largest nylon maker, yesterday announced it was cutting 1,200 jobs at its European nylon operations. The rationalisation is yet another blow to the European fibres industry which is suffering from poor demand and massive over-capacity.

Most job losses will be from former Imperial Chemical Industries facilities in the UK which Du Pont acquired last year.

The UK bore the brunt of a previous round of cuts by Du Pont in September last year when 880 lost their posts and a plant in Pontypool, South Wales, was closed.

Most of the job losses will be at Wilton, Teesside, where 520 posts will disappear. In addition, 100 jobs will go at both Gloucester in the west

country and Doncaster, Yorkshire. In Germany, 250 jobs are being cut at Oestringen, and 50 at Uentrop. In the Netherlands, 35 employees will be lost at Rozendijk.

The European nylon industry is suffering from massive over-capacity and continuing weak demand. Mr Colin Purvis, director-general of the Brussels-based International Committee of Rayon and Synthetic Filament (ICRFS), said: "There has been some modest improvement in the textiles sector, but demand from the carpet and industrial sectors remain poor. Price erosion has stopped, but rises in the carpet and industrial markets have not been accepted."

Du Pont plans to close a plant at Wilton which manufactures adipic acid, a raw material for nylon, by early 1997. The company is setting up a joint venture with Rhône-

Poulenc of France, to expand an adipic acid facility at Chalamp, Alsace.

The group also plans to close the Wilton plant manufacturing HMD (hexamethylenediamine), the other main raw material for nylon. It will be supplied from other Du Pont facilities.

Mr Fred Higgs of the TGWU, which represents most of the UK workers scheduled to lose jobs, said the Teesside closure was "a cynical betrayal of more than 500 loyal workers who were promised, only a year ago, that their jobs were secure."

Mr Alan Titus, vice president and managing director of Du Pont Nylon Europe, said the cost of updating the Wilton facilities to acceptable standards was considerably more than closing the plants and setting up the Rhône-Poulenc joint-venture.

## UK part of Euro-road extended

By Charles Batchelor, Transport Correspondent

The Department of Transport has added 17 new sections of road to the British part of a controversial Europe-wide network of roads intended to improve communications within the European Union.

Many of the roads in England, Wales and Scotland which have been added to the trans-European road network (Tern) form links with ports. The original Tern network was only agreed last October but prompted protests from some towns which felt they had been neglected and from other communities fearful that inclusion in the list would lead to an upgrading of local roads and large increases in traffic.

Mr John MacGregor, transport secretary, said the revised list had been drawn up following consultation with local highway authorities, freight transport groups and environmental organisations. The list will be put to the European commission and the council of ministers for approval.

The network consists of nationally and internationally important routes which the European Union wants to identify to prepare for future transport needs. Similar pan-European networks are planned in the fields of rail, water transport, telecommunications and energy.

The government and the European Union have said that inclusion in the Tern list does not mean that roads will necessarily be upgraded or that funds will be made available. But the European commission is keen to improve cross-border links since these have in the past been neglected by governments and it is looking at ways of raising finance.

Among roads to be added to the British Tern network are the M27 between Southampton and Portsmouth, the M62 and M58 between Liverpool and the M6, the A77 from Ayr to Stranraer and the A477 between St Clears and Pembroke Dock.

One deletion from the original list has been made: of the east-west route between Stunsted airport and the M40 near Oxford.



The Royal Yacht Britannia pictured marking the centenary of Tower Bridge. A visit by Prince Charles was overshadowed by the repercussions of his TV interview on Wednesday in which he admitted being unfaithful to his wife, said he could still be king if he sought a divorce, and questioned the nature of his future role as head of the Church of England. In the film Prince Charles also defended the role played in overseas trade promotion by Britannia, which is due to be scrapped in 1997 as part of defence cuts.

## Army promises 'broken because of war in Bosnia'

By Bruce Clark, Defence Correspondent

Britain's forces have been so stretched by their engagement in former Yugoslavia that promises made on conditions of service for soldiers and sailors been abandoned, according to a report published yesterday.

House of Commons Defence Committee report argues, two weeks before the expected announcement of wide-ranging cuts in defence spending, that even now, the armed forces are thinly spread.

In a view that has been expressed by all sides of the political spectrum the committee also questioned whether the Treasury was qualified to judge which forms of defence spending were dispensable.

The report pointedly reminds Mr Malcolm Rifkind, the defence secretary, of a comment made in the April gov-

ernment policy paper: "The possession of such a valuable and prestigious national asset as our armed services is not a luxury."

"This is a message which, it seems, is yet to be fully received by the Treasury," the committee says.

The report's harshest words were reserved for the capacity limits which had been shown up by Britain's involvement in former Yugoslavia: the deployment of 2,500 ground troops in central Bosnia and ships in the Adriatic.

It says guarantees to sailors about the proportion of their time they would spend overseas had been broken as result of the Adriatic operation.

The committee said it was "seriously disturbed" by the fact the Mr Rifkind had been forced to row back from earlier promises about the interval soldiers could expect between emergency tours in dangerous

places. The committee insisted that a 24-month interval should be regarded as a minimum period - as initially promised - and not an average interval as the defence secretary was now suggesting.

The government has said next month's defence cuts, designed to shave at least £750m from the annual defence budget, will have no effect on the armed forces' fighting ability because they will focus on trimming the cost of support services.

It has also pledged that any upgrading of European defence arrangements must avoid downgrading links with the US.

The committee urged the government not to pinch pennies by stretching the duration of weapon development programmes, and said any delay in plans to procure two new assault ships would be "deplorable".

## Royal Mail set for privatisation

Government proposes selling 51% in 1996 before election, report Andrew Adonis and James Blitz

The government appears set to proceed with the privatisation of the Royal Mail in next year's parliamentary session.

Tory rank-and-file MPs gave a broad welcome to proposals for the sale of 51 per cent of Royal Mail contained in a policy paper published yesterday by Mr Michael Heseltine, secretary of state for trade and industry.

If enacted the legislation will lead to the largest privatisation since the sale last year of the government's remaining stake in British Telecommunications. The sale would be likely to take place in 1996, in the run-up to the next general election.

Mr Heseltine said the sale of a majority stake in the Royal Mail and Parcelforce, the Post Office's parcel delivery subsidiary, was the government's "strongly preferred option".

"To survive and prosper the business needs greater commercial freedom to seize new opportunities and to meet greater competitive challenges in the communications mar-

ket," Mr Heseltine explained.

Under Mr Heseltine's scheme - one of three included in the paper - the Post Office's counter division, which oversees its 30,000 post offices, would remain in public ownership as a separate entity.

There would be statutory guarantees for the continuation of nationwide deliveries and a single national tariff. An independent regulator would be responsible for overseeing the privatised Royal Mail.

In a bid to reassure the public and Tory MPs, Mr Heseltine carefully pitched partial privatisation between the other two options in the paper: continued state control and a 100 per cent sale. He said the first course offered Post Office managers insufficient commercial freedom, while the second might not reflect "the important role which Royal Mail plays in our national life."

The government's endorsement of the 51 per cent share flotation was seen at Westminster as a victory for Mr Heseltine against Cabinet colleagues who had urged a more cautious approach.

At the same time, the proposals in the document appear to have been astutely designed to appease the small number of Tory backbenchers who fear that privatisation could undermine rural postal services and a cherished British institution.

One minister suggested yesterday that the government could now confidently announce a bill to privatise the Royal Mail and Parcelforce in the Queen's speech in November. The consultation period outlined in the paper is due to end in September, and work on outline legislation is already well underway.

However, some Tory backbenchers continue to express

doubts about the government's plans.

Ms Anne Winterton, Tory MP, remained concerned that the government's stake in the Royal Mail would not be guaranteed in the long term. "It is not Mr Heseltine's intention to sell off the remainder of the shares, why doesn't he just come out and say so?"

Mr Michael Heron, chairman of the Post Office, gave strong support to the partial privatisation option. However, the Labour party and the 150,000-strong Union of Communications Workers, pledged opposition.

Mr Robin Cook, Labour's trade and industry spokesman, said: "As a private business the Post Office would focus not on how it could serve the public but on how it could make money."

Editorial comment, Pg 19



If the rainforests are being destroyed at the rate of thousands of trees a minute, how can planting just a handful of seedlings make a difference?

A WWF - World Wide Fund For Nature tree nursery addresses some of the problems facing people that can force them to chop down trees.

Where hunger or poverty is the underlying cause of deforestation, we can provide fruit trees.

The villagers of Mugunga, Zaire, for example, eat papaya and mangoes from WWF trees. And rather than having to sell timber to buy other food, they can now sell the surplus fruit their nursery produces.

Where trees are chopped down for firewood, WWF and the local people can protect them by planting fast-growing varieties to form a renewable fuel source.

This is particularly valuable in the Impenetrable Forest, Uganda, where indigenous hardwoods take two hundred years to mature. The *Markhamia* trees planted by WWF and local villages can be harvested within five or six years of planting.

Where trees are chopped down to be used for construction, as in Panama and Pakistan, we supply other species that are fast-growing and easily replaced.

These tree nurseries are just part of the work we do with the people of the tropical forests.

WWF sponsors students from developing countries on an agroforestry course at UPAZ University in Costa Rica, where WWF provides technical advice on growing vegetable and grain crops.

Unless help is given, soil is exhausted very quickly by "slash and burn" farming methods.

New tracts of tropical forest would then have to be cleared every two or three years.

This unnecessary destruction can be prevented by combining modern techniques with traditional practices so that the same plot of land can be used to produce crops over and over again.

In La Planada, Colombia, our experimental farm demonstrates how these techniques can be used to grow a family's food on a small four hectare plot. (Instead of clearing the usual ten hectares of forest.)

WWF fieldworkers are now involved in over 100 tropical forest projects in 45 countries around the world.

The idea behind all of this work is that the use of natural resources should be sustainable.

WWF is calling for the rate of deforestation in the tropics to be halved by 1995, and for there to be no net deforestation by the end of the century.

Write to the Membership Officer at the address below to find out how you can help us ensure that this generation does not continue to steal nature's capital from the next. It could be with a donation, or, appropriately enough, a legacy.



WWF World Wide Fund For Nature  
(formerly World Wildlife Fund)

International Secretariat, 1196 Gland, Switzerland.

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Which of the following do you have? ☐ 1 Credit Card (e.g. Visa) ☐ 2 Gold Card ☐ 3 Charge Card (e.g. Amex) ☐ 4 None

هكذا من الأول



## MANAGEMENT

## Taxman on the move

Tim Dickson on changes in UK staff relocation prompted by new tax rules

Not every company necessarily followed the notorious example of a chemicals multinational that once picked up the vet and tranquiliser fees for a traumatised pet. But at least the important things in life - golf club entrance, for example - were routinely reimbursed.

The golden age of staff relocation, however, came to an end in Britain with dramatic suddenness 18 months ago. The reason was not so much the adverse economic climate - though that has certainly played its part - as the impact of tough new tax measures announced in the March 1993 Budget, which became effective on April 1 last year.

Described by Sue Shortland, manager of the Confederation of British Industry's Employee Relocation Council, as "the greatest change in the tax treatment of relocation expenses for over 40 years", the new regime imposes a cap of £2,000 on items deemed eligible for relief and a time limit by which costs have to be incurred to qualify.

It also lays down stringent Inland Revenue reporting rules requiring companies to keep track of their payments.

Eligible expenses include the cost of transporting the belongings of employees and their families to a new residence, the normal costs of buying and selling a home, and house hunting and familiarisation trips for employee and family.

Expenses and benefits that could be claimed tax-free under the old rules but which are disallowed by the new rules include any loss on the sale of an old residence, the initial cleaning costs of a new property, and help with the additional costs of moving to a more expensive area.

Almost overnight, employers found themselves with tax inefficient relocation packages and an unpleasant range of choices: meet their employees' new tax bill, or in full by "grossing up" any expenses over the £2,000 ceiling - an option that could mean a 50 per cent increase in the cost of a typical relocation package; ensure that no tax problem arose by cutting the benefits offered - easier said than done when a domestic move typically costs £20,000 to £25,000; or force employees to meet the new liability themselves in part or in full - hardly the most popular or enlightened approach.

First indications of the strategies being adopted by British companies



ROGER REEVE

were disclosed on Tuesday when the CBI and the accounting firm Ernst & Young published the results of an exhaustive survey of almost 600 businesses.

The message from the research is that while employers are not cutting back on relocation activity as such, a growing number are seeking - and finding - ways to contain and offset the additional expenses.

The main trends identified by the survey were:

● A preference for grossing up. Before the 1993 Finance Act most companies operated policies within the Inland Revenue's then generous guidelines. Of the 183 respondents who indicated a change in their thinking, a majority (87 per cent) were planning to pay tax on their employees' behalf, a tenth were making employees meet their own tax liability, a tenth were introducing a selective policy, and another 10 per cent were capping relocation expenses at £2,000.

Some employers have evidently adopted a compromise by grossing

up direct costs and items that they genuinely feel should be tax-refundable (such as school uniforms) but leaving the tax on other items such as golf club subscriptions and carpets to the employees themselves.

Others are keeping their cards close to their chests. The subsidiary of a UK food and drink company said it will "probably" gross up - but it has no plans to tell employees.

"We do not want people to spend money knowing that the company will bear all the costs," said a respondent to the survey.

● A new enthusiasm for outright house purchase schemes, as distinct from schemes where employers guarantee a minimum price for the property. Under the new tax rules the acquisition and disposal costs of employees' properties purchased outright by the employer (or a relocation company) fall outside the £2,000 limit. The tax position regarding gains returned to the employees had been unclear, but in April it was confirmed that these can now be handed back without

penalty provided the house contract is worded correctly.

● A tendency to withdraw or reduce the so-called "additional housing allowance". This allowance no longer attracts tax relief but has traditionally been paid to employees moving from low housing cost areas to areas where prices are high.

The survey highlighted ways in which companies are now restricting the allowance - cutting back the number of years it is paid, setting minimum house price differentials (for example, 10 per cent) which have to be triggered before employees qualify for the extra money.

● More temporary accommodation reviews. Costs have been controlled by the introduction of overall spending and time limits. "Employees do not need the smartest hotel in town - they can make do with something that is clean and comfortable," was one comment made in the survey.

● A greater use by companies of external advisers (particularly in connection with property), though a number of scepticism remains.

● The introduction of more efficient purchaser indices for UK expatriates going abroad. The number of companies indicating changes in their international relocation policies was very small, but the survey revealed that one-third of companies pay for transportation of pets.

● A widespread lack of sound reporting procedures. Almost half the respondents either had no system or had an inadequate method for tracking and reporting their relocation expenses as required by the 1993 Finance Act.

According to Michael Kalis, partner at Ernst & Young, employers face a penalty of £2,000 for each incorrect submission.

Many companies, it seems, are still reviewing their policies, as presentations this week at a CBI conference by an international oil company and an international pharmaceuticals company underlined. Both are awaiting board approval for proposed changes designed to address the new tax rules and - in one case at least - likely to reduce costs substantially.

\*Copies of the survey summary, *Business on the Move*, are available from the CBI Employee Relocation Council, Centre Point, 109 New Oxford Street, London WC1A 1PL. Price £30 for members and £50 for non-

CHRISTOPHER LORENZ

## Re-engineering in small doses only



understand, misapply and abuse them.

In the 1970s this happened with the Boston Consulting Group's (in)famous "cash cow" portfolio planning matrix. Over-reliance use of it led many companies to dump or neglect perfectly sound businesses, and to diversify dangerously into others. An embarrassed BCG had to re-educate many clients, as well as its own publicity machine.

In the late 1980s the inability to hit total quality management: careless consultancy selling of it, plus inept client application, led many companies to ignore some of its basic principles, notably customer-focus and lack of bureaucracy. Faintful experience taught them a salutary lesson, but in the process TQM got an unjustifiably bad name in some quarters.

Now the same plague is infecting business process re-engineering. Barely a year ago it was being promoted as a clear concept, with two specific interpretations.

The first was the redesign-from-scratch of broad, competitively "core" business processes, such as product development and order fulfilment, in order to span previously separate departments (or "functions"). As a result, companies were told, they could cut time and cost enormously, and also boost their revenues.

The second interpretation was more far-reaching and, as yet, futuristic: the reconfiguring of entire organisation structures on to a "horizontal" process basis.

Now the concept, or at least the term, is being misapplied to all sorts of other changes, lesser as well as greater. Like a patient talking only a fraction of the prescribed dosage, far too many organisations are "re-engineering" narrow, isolated parts of secondary processes within individual departments, and are then losing heart, complaining that the results are too meagre. In reality,

they are not re-engineering at all, merely improving their standard activities.

At the other extreme, a few consultancies are attempting to extend the meaning of re-engineering from the "hard" aspects of organisational change - structures and processes - to territory hitherto occupied by experts in the "softer" aspects of change and transformation, notably managerial behaviour, attitudes and "culture".

Like a doctor trying to extend specialist knowledge to related areas of medicine, this is an understandable strategy for an ambitious consultancy to adopt. But it risks stretching its expertise too thin, and creating even more confusion among the already bewildered business public.

Evidence of just how far things are going awry, for all but the small minority of organisations

- are still competitive. As a result, processes that should be dropped are being re-engineered, often at great pain and cost, while opportunities to use fresh ones for the creation of new businesses are being missed.

Far too few companies are focusing on revenue growth; most are obsessed with cost - and staff-reduction.

Not enough top and senior managers are sustaining - and demonstrating continually - their professional initial commitment to re-engineering programmes. Running such projects is very tricky, and cannot be assigned wholly to lower levels.

Index argues correctly that re-engineering works best in organisations where employees really trust their managers, make many of their own decisions, believe they are paid for performance, operate well in teams, share information freely, and take risks.

But such nirvanas are rare. The degree of change required to create them is so considerable that it is unrealistic for the consultancy to say merely that cultural change must start early in a re-engineering initiative. It must often precede it by several years, as it did in Champy and Hammer's original company "models".

● This qualifies Index's frequent claim that "real" re-engineering requires what it calls "big change fast, to achieve big results fast".

In the narrower of the two original definitions of re-engineering - the redesign of processes - this is probably true, especially in situations where opposition can only be overcome through a crash programme. But this is not the way to win people's hearts and minds. In the wider sense of complete organisational transformation, "big change fast" tends to be a contradiction in terms.

As Index concludes, re-engineering needs to be applied much more judiciously than at present. For that to happen, managers and consultants alike must be clear-headed about the nature of this potentially potent medicine.

● Poverty of ambition. Too few organisations are proceeding their re-engineering of processes with a hard look at whether their ways of doing business - and even their corporate and business strategies

are still competitive. As a result, processes that should be dropped are being re-engineered, often at great pain and cost, while opportunities to use fresh ones for the creation of new businesses are being missed.

\*Free summary from 071 344 7570 (fax).

## There is a risk of creating even more confusion among the already bewildered business public

applying the principle properly, came yesterday from probably the largest survey yet conducted into the "state of re-engineering" in both Europe and North America.

Covering 600 companies in a wide range of industries, the study was conducted by CSC Index, the management consultancy whose chairman, James Champy, helped create the current frenzy in collaboration with Michael Hammer.

The survey reveals a string of problems. CSC Index's advice about how to deal with them is helpful for the most part, but not entirely consistent. Nor is every aspect of its own subtle but significant shift of emphasis from process re-engineering to fully-fledged corporate transformation.

In essence, the main problem areas are:

● Poverty of ambition. Too few organisations are proceeding their re-engineering of processes with a hard look at whether their ways of doing business - and even their corporate and business strategies

## BUSINESSES FOR SALE

## REPEAT PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE COMPANY UNDER THE TITLE "ALTIS TOURISM AND TRADE CENTRE S.A."

The Societe Anonyme under the title "ALTIS AKINITA A.E." with head offices in Athens (43 Panepistimiou Street, Athens 105) lawfully liquidated under the supervision of the liquidator (in virtue of decision No. 357/31.3.1994 of the Patras Court of Appeal, in the limited liability company "ALTIS TOURISM AND TRADE CENTRE S.A.")

## ANNOUNCEMENT

A repeat public call for tenders with sealed, binding offers, for the sale of the total assets of the enterprise under special liquidation by virtue of article 46a, 1.1892/1990, of which the content is the exploitation of the hotel "ALTIS" of the Societe Anonyme under the title "ALTIS TOURISM AND TRADE CENTRE S.A."

## ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY

The company was founded on 18.10.1983 with the objective of exploiting tourism and trade centres in Ancient Olympia and in the cities and villages of the enterprises in Ancient Olympia, Prefecture of Iliia, Greece.

The assets of the company to be sold are described in detail in the offer memorandum and consist of one (1) hotel complex, fully equipped, located in Ancient Olympia, Prefecture of Iliia, Western Peloponnese, on the regional road Pyrgos-Tripoli, at the edge of the city near the Archeological site, and the OTE (State Telephone Company) building and the Themi Hall, under the title "ALTIS".

It is a B Class hotel with a capacity of 61 rooms and 116 beds. It is erected on a site with a total area of 1,618.65 sq.m. which occupies the main building block (BB 32) and it consists of a main building (1,160.26 sq.m.), a ground floor (1,145.26 sq.m.), a first storey (1,116.72 sq.m.), a second storey (956.88 sq.m.) and a terrace (37.70 sq.m.) plus the operational needs of the tourism unit and its security as air conditioning, protection, installations, laundry, confectionery shop, restaurant, telephone centre, etc.

## INVITES

any interested party to receive, in the event they are not already received, the offer memorandum, and submit a sealed, binding offer, accompanied by a letter of guarantee by a Bank operating lawfully in Greece.

## TERMS OF THE CALL FOR TENDERS

1. The public call for tenders will be carried out according to the provisions of article 46a, 1.1892/1990 which was added to the law by virtue of the provision of article 14, 1.1892/1990, of the present call for tenders and the offer memorandum, which interested parties may obtain after submitting a pledge of confidentiality in writing.

2. In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer, in writing, by 14.00 on Tuesday, July 26 1994 at the Olympia notary public.

Chris Lambropoulos, 280 70 Pelopion, Iliia. Tel. (0824) 31424.

Each bidder will be accompanied by a letter of guarantee issued by a Bank operating legally in Greece, with the contents of the offer memorandum and amounting to the sum of fifty million (50,000,000) drachmas.

4. The offers and the letter of guarantee must be delivered in a sealed, signed envelope.

5. The offer must mention clearly the amount offered for the purchase of the total assets of the company under liquidation and must not contain any terms, options or phrases which might create uncertainty as to the manner of payment of the sum being offered or other matters related to the sale.

6. The delivery of the offer will be made by the bidder in person, or by his authorised representative.

7. Overdue offers will not be accepted and will not be considered. The binding nature of the offer will last until the award of the sale.

8. The assets of the company and all the elements of which they consist, such as the movable, moveable objects, name, claims, and abbreviated title, rights, etc. will be sold and transferred "as and where they are" i.e. in their real and legal condition and at the place where they are located on the date of signing the offer.

9. The liquidating company and the liquidator representing it in the name of the company (para. 1, article 1, 1892/1990 as it currently applies) are not liable for any legal or real defects or the lack of any attributes of the objects and rights being sold, nor are they liable for any claims or obligations existing in the offer memorandum and any correspondence.

10. Interested potential purchasers are obligated, under their own supervision, and by their own means, expenses and personnel, to investigate and acquire a personal perception of the objects being sold, and to mention in their offer that they are fully informed as to the real and legal condition of the assets under sale.

11. The liquidator and the liquidator mentioned in para. 9 above, are entitled, according to their own judgement, to reject offers containing errors and options, regardless of whether they are superior to other offers as regards the amount being offered.

12. In the event that the party to which the assets under sale are awarded, declines its obligation to come forward and sign the contract within ten (10) days from the invitation by the liquidator and the liquidator, the obligations arising from the present announcement, the letter of guarantee amounting to fifty million (50,000,000) drachmas, shall be forfeited.

13. The entire sum of the liquidating company "ASTIKA AKINITA A.E.", covering all its expenses of any type and its services, as also any direct or indirect damages, without the necessity of proving specific damage, and as a penal clause in favour of that company, deemed as having been submitted with the offer, so that it can be collected from the Bank issuing the guarantee. The sum of guarantee submitted for participating in the tender

will be returned to all other participants following the evaluation report of the liquidator and the creditors mentioned in para. 1 above, and to the successful bidder, to whom the sale will be awarded, following the payment of the amount agreed and the drafting of the payment order.

13. The seals of the offers will be broken by the notary public mentioned above, at his office, at 13.00 on Wednesday, July 27, 1994.

14. The successful bidder will be the party whose offer will be judged by the liquidator and approved by the creditors mentioned in para. 9 of the present, as being the most advantageous for the company's interest.

15. The liquidator will notify the successful bidder in writing of his obligation to come forward to the place and at the time determined in the notification, for signing the contract transferring the assets, according to the terms of the offer and any improved terms that may be included by the creditors and agreed with the highest bidder.

16. The signing of the transfer contract stands as a final assignment according to article 1003 of the Code of Civil Procedure whereas the amount to be paid to the liquidator by the highest bidder stands as a bidding payment according to article 1004 of the Code of Civil Procedure.

17. All expenses and costs arising from participation in the tender and transfer (tax, stamp duty, notary public's fees, registrar's fees, mortgages, announcements, etc.) will be borne exclusively by the interested potential purchasers and the highest bidder respectively.

18. In the event of part of the purchase price being on credit, the highest bidder will be obligated to provide any guarantee that may be requested by the liquidator according to his own exclusive judgement, and will be burdened with all related expenses, costs and fees required for the formation of such guarantees and their termination.

19. The liquidator and the liquidator will not be responsible for liability against anyone who will participate in the tender as regards the evaluation of the offers, their recommendation of the successful bidder, the decision for the repudiation or cancellation of the tender and any other decision relevant to the procedure and realization of the tender.

20. The submission of the binding offer will create a right of awarding the assignment for the sale. In general, all parties participating in the tender do not acquire any right or claim arising from the present announcement and their participation in the tender against the liquidator or the creditors for any cause or reason.

21. The present announcement has been drafted in the Greek language and translated in the English language. In every instance however, the Greek text will prevail.

Interested parties may obtain offer memorandums and receive other information from Mr. George Pimenidis and Mr. Christos S. Agathopoulos, 43 Panepistimiou Street, Athens 10564. Telephone nos.: 326.6113 and 326.6111 Fax no.: 326.6111.

## North American Software Acquisition Opportunity

An Information Technology Software company located in North America, have developed a proprietary package which is the market leader in its field.

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## CONTRACTS &amp; TENDERS

## COMPANHIA PARANAENSE DE ENERGIA COPEL

USINA HIDRELÉTRICA SEGREGDO DERIVAÇÃO DO RIO JORDÃO D-03 INTERNATIONAL TENDER TURBINE-GENERATOR UNIT AND RELATED EQUIPMENT DEADLINE EXTENSION

COMPANHIA PARANAENSE DE ENERGIA-COPEL, announces that the deadline for presentation of qualification documents and bids for the D-03 International tender has been postponed to August 18th, 1994, at 03pm in the Superintendencia de Energia, at Rua Voluntários da Pátria, 233, 5th floor. The other conditions of the Offering Circular remain unaltered.  
Eng. - JOÃO CARLOS CASCAES  
Director President  
GOVERNO DO ESTADO DO PARANÁ

## APPOINTMENTS

## SENIOR MATCHED BOOK TRADER

Leading International Investment group has been established with significant repo experience to manage its London operation. Preferably experience to include managing a repo desk. Requisite knowledge of trading of short maturity US debt. The successful candidate will be aged mid 30's, with a degree standard, will have minimum 8 years' experience with major financial institutions, developed a strong US client base and have established US contacts. Salary negotiable.

Please write in strictest confidence, enclosing full cv, to Box A2095, Financial Times, One Southwark Bridge, London SE1 9HL

## Redemption Notice



## European Investment Bank

13% Bonds Due 1996

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated 11 August 31, 1984 under which the above described Bonds were issued, that European Investment Bank has called for redemption on August 31, 1994 of the principal amount of said Bonds at the redemption price of 100% of the principal thereof, together with accrued interest on August 31, 1994. The serial numbers of the Bonds selected for redemption are as follows:

COUPON BONDS  
(All in \$1,000 Denomination)

1550	1551	1552	1553	1554	1555	1556	1557	1558	1559	1560	1561	1562	1563	1564	1565	1566	1567	1568	1569	1570	1571	1572	1573	1574	1575	1576	1577	1578	1579	1580	1581	1582	1583	1584	1585	1586	1587	1588	1589	1590	1591	1592	1593	1594	1595	1596	1597	1598	1599	1600	1601	1602	1603	1604	1605	1606	1607	1608	1609	1610	1611	1612	1613	1614	1615	1616	1617	1618	1619	1620	1621	1622	1623	1624	1625	1626	1627	1628	1629	1630	1631	1632	1633	1634	1635	1636	1637	1638	1639	1640	1641	1642	1643	1644	1645	1646	1647	1648	1649	1650	1651	1652	1653	1654	1655	1656	1657	1658	1659	1660	1661	1662	1663	1664	1665	1666	1667	1668	1669	1670	1671	1672	1673	1674	1675	1676	1677	1678	1679	1680	1681	1682	1683	1684	1685	1686	1687	1688	1689	1690	1691	1692	1693	1694	1695	1696	1697	1698	1699	1700	1701	1702	1703	1704	1705	1706	1707	1708	1709	1710	1711	1712	1713	1714	1715	1716	1717	1718	1719	1720	1721	1722	1723	1724	1725	1726	1727	1728	1729	1730	1731	1732	1733	1734	1735	1736	1737	1738	1739	1740	1741	1742	1743	1744	1745	1746	1747	1748	1749	1750	1751	1752	1753	1754	1755	1756	1757	1758	1759	1760	1761	1762	1763	1764	1765	1766	1767	1768	1769	1770	1771	1772	1773	1774	1775	1776	1777	1778	1779	1780	1781	1782	1783	1784	1785	1786	1787	1788	1789	1790	1791	1792	1793	1794	1795	1796	1797	1798	1799	1800	1801	1802	1803	1804	1805	1806	1807	1808	1809	1810	1811	1812	1813	1814	1815	1816	1817	1818	1819	1820	1821	1822	1823	1824	1825	1826	1827	1828	1829	1830	1831	1832	1833	1834	1835	1836	1837	1838	1839	1840	1841	1842	1843	1844	1845	1846	1847	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863	1864	1865	1866	1867	1868	1869	1870	1871	1872	1873	1874	1875	1876	1877	1878	1879	1880	1881	1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	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## PEOPLE

## Evans picks md from Yorkshire Water

The directors of Evans of Leeds have chosen on tenderbooks this week. The property investment company's final results are out next Tuesday and they are expected to be in the purple, but Evans was not wading among the business community that Evans was about to get its first md.

Evans, though quoted, is largely owned by the locally well-known Evans family and mostly run by vice-chairman John Evans, who also has a stake in a boatyard near Nis.

The company and Yorkshire Water decided to merge yesterday with simultaneous announcements. John Bell, managing director of Yorkshire Water Enterprises, is indeed making the transfer, which "will not be earlier than October 1".

Bell, who is 45, is a lawyer. He was a young chief executive of a small Scottish local council before going into the water business as the old Yorkshire authority's secretary and solicitor in 1985. He ended up as a main board director of Yorkshire Water in 1990.

He was in the news in May when he was appointed to the Ogen Corporation in the US.

water and waste treatment market.

Another diversification, however, was a series of joint ventures with Evans of Leeds, under the corporate appellation White Rose, to develop spare Yorkshire Water Land, which is how the property company got to know him.

So did Evans poach him after this extended interview? "Relationships remain friendly," William Gibson, Evans' company secretary, said yesterday. "They are not waving a big stick at us. Everything is going ahead in a smooth and amicable fashion."

He would have liked to have kept the bid on the news until after next Tuesday but decided to announce it on Monday night more damaging.

David McGregor, formerly of the Glen Group, returns to THOMSON REGIONAL NEWSPAPERS.

He succeeds Jeremy Griffiths who has been appointed chief financial officer of Thomson Corporation Publishing International.

Derek Andrew, md of The Camerley Brewery Company, part of WOLVERHAMPTON & DUDLEY BREWERIES, has been appointed to the main board.

Pearle Vision, a US-based subsidiary of Grand Metropolitan, which acquired Pearle Health (as it was then known) in around September 1985, has got a new president, Glenn Hemmerle, 49.

He reports to David Nash, 53, Pearle's chairman, and replaces David Hader, 49, the former chairman, chief executive and president of the company, who is taking up a new position in GrandMet's drinks sector, as president, International Distillers & Vintners' international operations; IDV is GrandMet's worldwide wines and spirits business.

Hemmerle's background is solidly in retailing, having spent 23 years with companies such as The Gap and Mudd.

Between 1987 and 1990, he was president and chief executive of the Athlete's Foot group, and Atlanta-based sports shoe retailer and franchisee.

Most recently he was president and chief executive of Crown Books, the retail chain based in Landover, Maryland.

At Pearle, Hemmerle will be responsible for day-to-day operations of the company's 950-plus retail stores in the US and Europe. GrandMet acquired Pearle Health's 1990s. The company's six-month results, reported in March, showed a modest break-even profitability, a \$33m profit improvement over an 18-month period.

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## Burgess takes on worldwide role at Andersen Consulting

Keith Burgess, 47, of Andersen Consulting in the UK, is to take on a new role as one of the worldwide firm's managing partners from the start of September. He will become managing partner for business integration and practice competence, which "means" making sure what we do and how we do it is right.

His replacement as managing partner for the UK will be James Hall, 39, who joined Andersen as a graduate trainee in 1976. Hall (right) says his theme is "continuity".

The change is part of a restructuring of top jobs within Andersen Consulting, with the creation of a managing partner for "packaged knowledge" and two other



managing partner roles (market developments, and technology and products) being combined in Burgess's new job. It reflects its international growth and represents a shift away from the firm's predominant US roots; several other UK partners recently taken on senior roles in the international firm.

Burgess, 47, who has spent 24 years with Andersen since he gained his PhD in solid state physics, has been UK managing partner since 1989.

He was approached about the new job by Andersen Consulting's chief executive on a lake-side walk during the annual meeting in Geneva in May.

"I am very excited about what we have done. Being able to operate and shape the worldwide firm challenges me. He will continue to be based in the UK but will spend more time travelling co-ordinating the world."

## Development Securities: on its Marx

Martin Landau, 45, property entrepreneur who bought Development Securities last June, is to reshuffle its management with an appointment to Michael Marx to replace joint managing partner Robert Marx.

Landau, running the troubled property developer at the time Landau spearheaded a financial restructuring of the

loss-making Claydon Properties, which was renamed Development Securities.

Landau's contract was reduced from 10 years to 5 years. He was widely regarded as transitional.

Anthony Bodie was brought in as the other joint managing director to manage the company's rapidly growing property

portfolio. War's departure was described as "amicable" and a spokesman said no money would be paid.

His experience of troubled property companies, as the finance director of Robert Bonson's Bonson Corporation, where he was ousted last year, group's restructuring.

## Finance moves

Michael McIntock, 47, who joined M&G from Barings less than two years ago, is following in his father's footsteps and taking on the board of Britain's biggest independent fund management group.

McIntock, who looks after M&G's institutional investment business, is one of two new faces joining the main M&G board. Richard Hughes, 37, who joined the group in 1987 and manages the M&G Recovery fund, has also joined the board.

M&G portrayed the appointments as routine promotions but they do suggest that the group is keen to rejuvenate an increasingly elderly top management team. Paddy Linaker, the chief executive, retires at the end of the month and is being succeeded by a man of similar age, David Morgan, 60. This has led to some speculation that Morgan will have little more than a caretaker role.

Michael McIntock will not be able to enjoy sitting next to his father at board meetings. Alan McIntock, a senior figure in the accountancy profession, retired in February after 12 years on the M&G board.

Grant Phillips, formerly corporate and institutions group director, has been appointed as Barclays' investment division of BFS on the retirement of Peter Dennis. Gary Bell, James Bromhead,

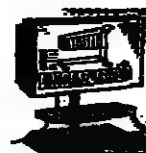
Julia Henderson, Christian Hobart, Stuart Lane, David Langman, Alan Matthews, Sue Minkin, Nick Rodgers, Sophie Stirling, Ingrid Hentschel, Jeremy Warner Allen and Robert Wilson have been promoted to become directors of BEESON GREGORY.

Philip Johnson has been appointed a director of HENRY CORPORATE Finance. Roger Yates, formerly a director of Morgan Grenfell, has been appointed investment director for GT MANAGEMENT in London.

Raoul Pinnell (below), 43, appointed to the post of director of marketing for UK branch business at NATIONAL WESTMINSTER BANK. A former general marketing manager at Nestlé in the UK and currently marketing director for the force of the Prudential.



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Every salesperson would like to see into the minds of customers, to know exactly what they want and when they want it. While technology is beyond modern technology, many retail businesses are turning to the next best thing - databases with extensive information about consumers.

In the US, Europe and Asia, companies are developing sophisticated computer-based programs to store customer details, from addresses and telephone numbers to monthly consumption of fax paper and expensive wines. Clever marketing executives can turn this information to their advantage.

If a New York resident shops regularly at Giorgio Armani on Madison Avenue and is known to spend time in France on business, Armani might be well advised to tell the consumer about his Paris store.

Information can also help retailers screen out less attractive customers - ones who only buy deeply discounted items, for example, may not be worth courting.

Marketing is still highly unselective. Gourmet is unlikely to dine at McDonald's but still see commercials for Big Mac hamburgers on television. A proportion of McDonald's advertising budget, therefore, is spent on people who will probably never enter the fast-food outlet.

Targeted marketing, on the other hand, allows companies to reward loyal customers and avoid wasting money on promotions to unlikely buyers. Because it can cost so much to attract new customers, maintaining a loyal customer base can make a huge financial difference.

"The longer a company keeps a customer, the more money it stands to make," says Frederick Reichheld of Bain and Co, a Boston-based consulting group. "This is not only because companies do not need to spend as much money on advertising to recruit new customers. Faithful customers are also important because the longer they have done business with a company the more money they tend to spend."

The methods that retailers use to build their databases vary. Consumers must be enticed to reveal information about themselves. For example, companies, which have all their customers, the task is easier. L.L. Bean, a Maine-based sporting and leisure goods mail-order company, has sales histories that go back decades.

Retail stores, such as consumer goods manufacturers, have a harder time tracking purchasers. Asking people to write in for free products is one way to build up a database. US cigarette companies have used this method extensively over the past few years, maintaining compre-

Databases will soon be able to tell stores what individual customers like for breakfast, explains Victoria Griffith in a series on electronic retailing

## Smart selling to big spenders



Information transfer: the customer may be handing over much more than just his credit card or his address

hensive lists of smokers. The scheme also means that smokers may be the only ones to receive magazines that carry cigarette advertisements - the non-smokers receive the same publications without the advertisements.

Retailers often ask customers to fill out a card so they can be informed of forthcoming sales. In this way, shops can build up a substantial mailing list. But such methods produce limited results, usually nothing more than an address and perhaps a telephone number. Retail tracking is more efficient when done with magnetic stripe cards that automatically register purchases in a computer program.

Staples, the Boston-based office-goods retailer, offers shoppers a free membership card when they make their first purchase at the store. The card entitles shoppers to discounts on selected items and provides valuable information to the

chain. Since customers are encouraged to use their card with each purchase, the company can track how much of certain items the customer is buying, at what times of the year and at what prices.

Staples can evaluate a number of

**The widespread use of credit cards means they can be an important source of information**

company strategies. It can assess the impact on sales of a particular fax paper being displayed prominently in a store. It can also use the database to bring back customers who have defected. If a consumer has purchased large amounts of copy paper each month for two years and suddenly stops, a com-

pany representative can try to find out why and respond. Staples now provides a delivery service after discovering that the lack of one was a main reason for its loss.

The widespread use of credit cards means they can be an important source of information. American Express provides a service to retailers that can help target specific customer needs. In the UK, it is about to experiment with a new system that would provide information about products to likely buyers on the monthly credit card bill.

"If someone buys a lot of food at a department store but has never entered the wine section, the store might offer a free bottle of wine with the next purchase," says Margaret Bailey, for the group. "That information would show up on the American Express bill."

Companies are increasingly exchanging information, maximising information about consumers

and cutting the cost of building and maintaining the database. An important cross-fertilisation scheme is being launched later this year in the UK. American Telephone & Telegraph of the US is setting up a new scheme, called Intel, to help retailers build databases and provide incentives to loyal customers. Under the programme, customers will be invited to join the Intel club, entitling them to a magnetic stripe card and potential discounts on various items available in do-it-yourself shops, grocery stores, petrol stations, clothing and toy shops, and other retail groups.

The scheme has a recruitment target of 8m card holders, and AT&T estimates that consumers will be able to save about £180 a year by using the card when they shop at member stores. AT&T will process the information obtained from the card users for the retailers.

"The grocer may like to know who is a high spender within the scheme but is not shopping with them," says Ruth Kemp, for the group. "Then they can offer incentives to use their store. Retailers will also know for the first time who their customers are."

"When people move house, for example, retailers often lose valuable customers. With the information on the database it will be possible to track customers. They could tell them where their nearest store now is, offer them incentives to shop there and provide them with a 'welcome to your new home' pack."

Not everyone is happy with retailers' new love affair with databases. The US media has heavily criticised the "Big Brother" aspect, which allows companies to record so many details about people's lives.

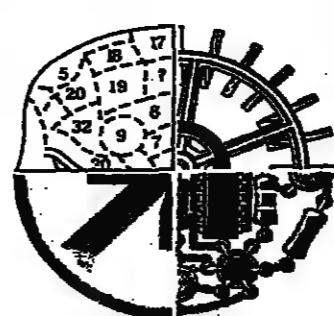
AT&T says it will proceed with caution. "All the current data protection laws will be strictly adhered to and the card holder information will remain confidential to each individual retailer," says Kemp.

"Customers may choose not to be sent any direct marketing. Our research shows that consumers' irritation with direct marketing is with mail that is of no interest to them."

"The information held will result in tightly targeted direct marketing, so consumers should receive information that is genuinely of interest to them. For example, if we see you are buying a lot of garden products, you may well be interested in receiving a spring bulb catalogue."

Despite concerns over information flow, membership schemes that offer discounts and purchasing incentives seem to be the retailers' best chance of keeping track of customer purchases. "As part of a scheme or club, people's sense of belonging is established by regular communication," says Kemp. "Participants do not see this type of communication as invasive."

### Worth Watching - Vanessa Houlder



#### Data density with IBM sensor

IBM researchers in San Jose, California have made a highly sensitive sensor for reading computer data on magnetic hard disks. They believe it will allow information on disks to be stored nearly 20 times more densely than currently possible by the turn of the century.

The new sensor, called a "spin-valve" head, is five times more sensitive than the disk-drive sensors available now. It is the first high-density recording head designed to take advantage of the giant magneto-resistive (GMR) effect, discovered six years ago.

Until recently, all recording heads used electrical induction for reading and writing data on a disk. The GMR effect, which depends on changes in the electrical resistance of very thin films of a magnetic material in a magnetic field, is more sensitive than the induction method for reading data.

The strength of the signal from the spin-valve allows the disk-drive designers to reduce the width of the magnetic bit track by six times, allowing a greater density of data on the bit head. IBM said products containing 10bn bits of data per square inch of disk surface will be available by 2000.

IBM: US, 408 527 1283

#### Up to date with EU legislation

Tracking the legislation pouring out of the European Union is a time-consuming but increasingly important task for businesses affected by EC directives.

Reuters Business Information, a subsidiary of Reuters, has launched an on-line business information service called European Union Briefing, designed to help researchers monitoring EU developments.

The service offers subscribers breaking news from Reuters, with access to a five-year archive of 600 publications. The system has a document number search facility to allow specific legislation to be tracked quickly. The information can be retrieved using a personal computer, which connects to Reuters databases using a modem or other external connection. Reuters EU Briefing costs \$400 per month for 20 hours of on-line search time.

UK, 071 334 5184

#### New light on outdoor displays

Brightly lit advertising displays come into their own at night but can look washed out in bright light. A new display screen that adapts to different lighting conditions has been designed to overcome this. Black Box Vision, a start-up company, has developed a liquid crystal display screen that will show high-resolution, animated graphics throughout the day using relatively low power.

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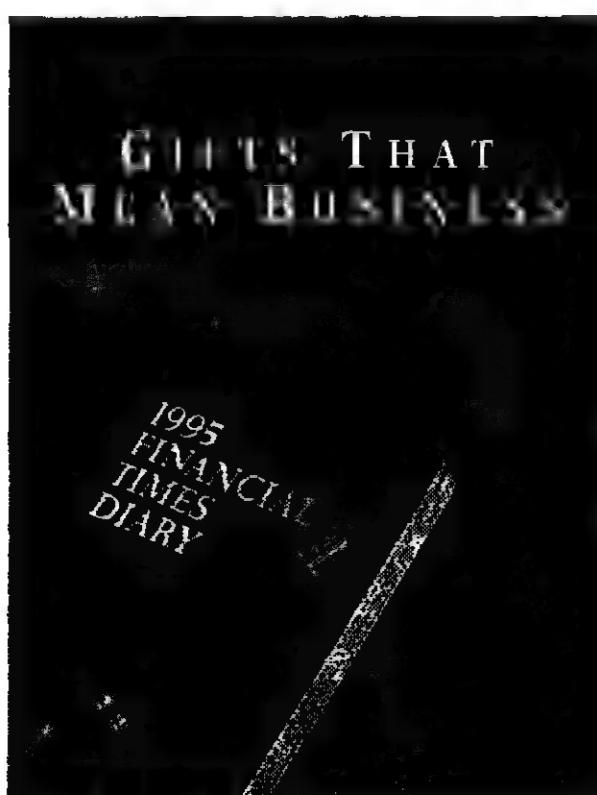
Black Box Vision: UK, 0273 636322

#### Human genetic blueprint scheme

French researchers have launched an \$11m programme to sequence and analyse the regulatory regions of the human genetic blueprint, which make up about 5 per cent of all human DNA. They are responsible for activating genes and controlling the way the genes produce proteins. Clive Cookson writes.

The programme will be carried out jointly by Geneset, a biotechnology company based in Paris, and Genethon, a charity funded by an annual telephone. Together they are setting up a Trés Grand Séquençage Laboratory, which they believe will be the first in the world dedicated to sequencing and analysing the regulatory code - as opposed to the genes themselves.

Geneset: France, 1 43 56 38 00



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The winner of the Burns Prize will be selected after the April and September 1994 sitting, and will be announced at the time of the pass list in December.

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## Television/Christopher Dunkley

## Prince Charles bares his soul to the nation

I blame Oprah Winfrey and Phil Donahue. It is their American chat shows, both screened in Britain, which have set the trend for on-screen self-analysis - for letting it all hang out. Prince Charles, always one for a pretty trend, has now fallen for this one and came before the nation on ITV on Wednesday night in *Charles, The Private Man, The Public Role*, pouring out his feelings like one of Donahue's transvestites or Oprah's food-bingers.

He thinks he's "quite a sort of private person" and also "one of those people who searches". He was interested in "pursuing the path through the thicket". He happens to be one of those people, he can't help it, who "feel very strongly

*This programme won the latest and least successful in the 'Monarchy on the Box' saga*

and deeply about things". Judged as a piece of television it was stunningly long-winded (two and a half hours) and, throughout many of its travelogue sequences, narcoleptically dull. If there is anything less interesting in the world than standing in a desert or on a podium making diplomatic speeches, it is surely watching somebody else's home movies of the event afterwards, even if Philip Bonham-Carter's photography was as good as ever.

But of course this was not simply a piece of television, this was the big push in the charm offensive aimed at winning back ground after the hugely successful PR campaign staged by Charles' estranged wife, the Princess of Wales. Will it work? Hard to be sure, but if you consider it as a piece of modern marketing, aimed at promoting a career, you would have to say that the film makers faced a tough job.

Their subject, judging from this programme, is a man who on the one hand is keen to take on the top appointment with

all its power and riches, not to mention a degree of kow-towing from those around him which looks positively medieval. On the other hand he loathes the limelight, detests the mass media (accusations of prurience crop up twice in this context) and sulks when asked to take on public responsibilities which he does not fancy.

Furthermore he manages to combine reticence bordering on modesty in some respects with remarkable conceit in others. His account of his own supposedly admirable behaviour after the fatal Klosters accident was

Boil it all down and there was little that was really new to be learned from this programme. Prince Charles would rather be a sort of all faiths than one. Yes he was unfaithful to his wife, though we still do not know the precise ins and outs of the Camilla Parker Bowles story. He favours some form of national service, military or otherwise, sees nothing wrong in being a super-arms salesman for Britain, and would indeed go further and run the British armed forces as Global Mercenaries plc.

Those were the revelations, but the significance of the programme lies elsewhere. This was the latest in a sequence which began in 1983 when the royals overruled the politicians and allowed the cameras into Windsor Castle Abbey so that the public could watch the crowning of Charles' mother. The entire saga might be called "Monarchy on the Box" or perhaps "WestEnders". It has proceeded via the famous 1989 film *Royal Family*, and increasingly "intimate" Christmas broadcasts and other documentaries, to yesterday's programme.

For nearly four decades the received wisdom, shared by the present writer, was that the Windsors were masters of the medium, brilliantly exploiting modern mass communications to extend one of the world's most ancient monarchies into the 21st century by way of popular socialism. Yesterday's monumental commercial must cast deep doubt on that idea.



An insubstantial wisp of memory: Eddie Izzard and Lindsay Duncan do their best in 'The Cryptogram'

## Mamet goes minimalist

Martin Hoyle finds the playwright's latest work too flimsy for words

With *The Cryptogram* shock tactics in the collective theatre-memory and *Glengarry Glen Ross* in the collective business-memory, Mamet play has opened in the West End. The *Cryptogram* flutters into the Ambassadors Theatre like an insubstantial wisp of memory, a sensitive and elusive short story of childhood, perhaps, unwisely spun out to theatrical length (only just: even with interval the evening is short though not, alas, rapid). For a world premiere by America's leading playwright the occasion is strangely flat. The man who has offered London a refusal. I for one refuse it.

All his popular reputation with strong language and thrusting macho values, Mamet is a versatile writer. *Glengarry* presents a frieze of flat characters as frozen in hieratic postures as in an ancient Egyptian

inscription. All immediacy and impact, they are a past, history, background. The new play is the reverse, soggy with significance, every action and sentence setting off resonances that will plainly affect the small boy at the centre of the action for the rest of his life.

This is John, aged ten, who cannot sleep and hears voices, and whose father has just left his mother. She finds out by accident and is at first comforted by Del, a family friend and for some reason homosexual. In the course of their talk it emerges that the departed Robert had borrowed Del's room for assignments with another woman. As a sort of husband money he passed on a German survival knife, as one does to compliant chums, that he won in the war (this is Chicago, 1941). Donny, the wife, reveals that the knife, far from being the spoils of combat, was a souvenir bought in the streets of London.

Devalued, it is finally given to the child, as guilt and shame are passed from one generation to another.

Little eking and no blinding, but there remains the Mamet trademark of elaborately staged, and perfectly interlocking, stage dialogue. Equally calculated is his shy at Pinteresque: a teasing, repetitive interrogation which reveals with the almost ritualistic sparseness of minimalist music. Bob Crowley's sets desperately attempt to add something to this flimsy meandering: a dark room, a staircase, suddenly transparent walls that give glimpses, big deal, of kitchen or child's bedroom though no sign of the emperor's new clothes.

The piece is acted for more than it is worth by Lindsay Duncan, a stylishly intelligent actress who has been wasted in more bad plays and/or misguided productions than *Equity* has resting members. She manages to

make lines like "I am not God; I don't control the world" sound deliberate instead of antipolitic domestic-drama writing. Interest naturally focuses on Eddie Izzard as Del. Faried from the drag that he frequently affects, the stand-up comic plays from his own persona: useful, puzzled, inquisitively following a line. I thought that results in a slap in the face. A fleshy young man in a sports jacket bearing a more than passing resemblance to a youthful Michael Grade, Izzard is remarkably assured in his first dramatic assignment, apart from an occasional anticipated cue that increases his air of naturalness. Danny Walters is a touchingly reproachful boy.

If minimalism appeals to you, *The Cryptogram* may prove rich with hidden meanings, allusive, echoing. Or you may find it precious, pretentious and pompous and the hell with it.

Ambassadors Theatre (071-836 6111)

## Ballet

## Hamlet from the Cape

A difficult evening. British ballet owes a great deal to South African dancers in such crucial figures as Nadia Nerina, Maryon Lane, John Cranko, David Poole, and it is pleasing that the Cape Ballet should make its first overseas tour under the new dispensation to London. We know that the past decades have been difficult for South African ballet, and artistic isolation has inevitably thrown the troupe on its own resources. But *Hamlet* with which the company opening its Wells season on Tuesday night is an odd calling-card.

Veronica Paepers, Cape's artistic director and chief choreographer, is a prolific creator, her works including *John the Baptist*, *John in Hollywood* and *John in Guyana*. *Hamlet* is an altogether too innocent guided-tour of the play. With many danced versions of literary masterpieces, you tick off the Great Moments as they lumber past: "Here's To be or not to be", and "Carabai" only got the Player scene - there's a hell of a long way to go yet.

So it was on Tuesday, Peter Klatzow's commissioned music is effective, atmospheric, a more support for the drama. Peter Klatzow's first permanent set is made (one wonders a bit about the gigantic candelabra that is the castle, trembling while the battlements, with tumbling that gleams very brightly, are Paepers' most efficient in crowd-scenes. The problems are in the manner of her choreographic manner, and of the company's dance style.

What we see is uneasy and superficial in step and manner. Narrative procedures are no more than hints of what Shakespeare tells us, movement trapped rather than transcending. Expression becomes dumb-show of a predictable kind - a sexy Gertrude climbing over Claudius in a sub-MacMillan duet; Hamlet with two expressions: anguished and more anguished - while the cast make sudden and impulsive irruptions into the dance, as if wanting to take it by surprise and thus get the better of it. Thus do not succeed.

The academic style of the company is not well served, nor did I see the assurance and clarity that classical movement should have. Some dancers were vivacious - and rather too much so; others looked ill at ease. The choreography skittered around its subject; the dancers did not provide the emotional weight, the technical gravitas, to convince me that the evening was anything more than a display of the flimsy. Two later programmes will, I trust, be a better portrait of the ensemble.

Clement Crisp

The Cape Ballet is at Sadler's Wells until July 9. Sponsored by Unifree

## Sponsorship/Antony Thorncroft

## Allied pushes upmarket with the RSC

In the months now since Allied-Lyons announced the biggest arts sponsorship in the UK - £1m a year, for three years, to support overseas touring education and cultural productions at the Royal Shakespeare Company, plus another £1m to help advertise the company. How is it shaping up?

Well, the budget has already grown by a couple of hundred thousand a year, thanks partly to Allied's acquisition of Domecq which will mean plenty of reprinting of the sponsor's name, but mainly to enthusiastic early response to the consumer promotions linked to the sponsorship.

Allied-Domecq is an unusual arts sponsor, being a packaged goods company with millions of customers each day. This month its first promotion exploiting the RSC connection starts to appear in its chain of Victoria Wine off-licences, which is pushing upmarket: buy RSC tickets for this August and you get a free programme, a free interval drink, and 25 off your next purchase of wine.

In the near future similar special offers

on tickets for the RSC are likely to appear in its smarter pubs, and on Allied brands, which range from Tetley tea bags to T. S. Eliot whisky, in the more middle class supermarket chains, like Sainsbury's. The company is deliberately using the sponsorship, and the reputation of the RSC, to

The first promotions were aimed at shareholders and employees, and offered membership of the RSC and discounts on tickets. The initial take up was forecast, hence the need to raise the budget. The main benefit from the link, helping Allied to expand into overseas markets on the back of visits by the RSC, has yet to happen, although the RSC is booked to visit California in October. The only problem to arise to date is that the meticulous advanced programming of a packaged goods company does not match the more

immediate, improvisational, scheduling of a theatre company, but Allied-Domecq already sees the sponsorship extending way beyond the initial three years.

It also envisages extending its theatrical links to embrace the Fringe as well as the RSC. Allied owns three of the main pub theatres in London: the Bush, the Gate, and the Kings Head. It has already helped the first two and intends to support the Kings Head, as well as getting behind pub theatre nationally.

A few years ago there was deep concern about the future of the great British university museums. As the universities were starved of funds to educate students, shorted on collections at the Ashmolean, the Fitzwilliam, the Courtauld, and others, they were in their order of priorities.

But the museums themselves seem to have risen magnificently to the crisis, thanks mainly to the rallying round of sponsors, both corporate and charitable. The Courtauld is currently displaying some of the finest Impressionists in London, thanks to £250,000 funding from Cantor Fitzgerald, the American finance company, which supports art in the US but has never before backed a show in the UK, while the Ashmolean at Oxford has just announced one of the most lavish bequests in its history.

The Headley Trust, the personal charitable foundation of Tim and Susie Sainsbury, has put up £45m to create beneath the museum forecourt a café, shop, lecture room, and more. This is the biggest donation by the trust since it made the major contribution to the Sainsbury wing at the National Gallery.

In the last six years the Ashmolean has raised £2.5m from sponsors and is well on the way to securing the £1.5m needed to build four new galleries for Eastern art and antiquities.

Reuters has never been a major arts sponsor in the UK but it is getting behind the Endellion String Quartet for its four concerts at the Queen Elizabeth Hall, starting on Wednesday. To add spice to the events it is mounting an exhibition in the QEH foyer of photographs and videos with a musical theme drawn from its archive, including the young Menuhin, Bernstein at 70, and more.

Reuters will also support the Endellion Quartet in a residency at MIT in Boston next April, with a total budget approaching £40,000.

The Lottery seems likely to make life even tougher for those companies with a reputation for sponsoring the arts. For the government is intent on linking the money destined for the arts and heritage to the success of arts organisations in drumming up matching funding.

Last week, for example, the National Theatre announced that it was planning a £10m rebuilding programme, and anticipates lottery money, but it knows that it must raise half the total, £5m, by appealing to its corporate friends, rich patrons, and trusts.

So companies will be courted twice - for sponsorship to make possible live performances, as at present, and for donations to act as the trigger for lottery cash for capital developments. It may work for the big organisations, like the Royal Opera House, which has already assembled a band of rich patrons ready to write out their cheques when the lottery money arrives, but it could prove an impossible challenge for smaller and medium-sized regional companies - and for their long suffering sponsors.

## INTERNATIONAL ARTS GUIDE

## Exhibitions Guide

**AMSTERDAM** Van Gogh Museum Van Gogh's Self-Portraits: 20 paintings and two drawings dating from his stay in Paris 1886-87. Ends Oct 9. Daily. Rijksmuseum Flowers and Plants: flora and fauna in five centuries of prints and drawings. Ends July 31. Closed Mon. Royal Palace The Fountain of Palis: marble statue on show together with related paintings, drawings and terracotta models. Ends Aug 28. Daily. **BERLIN** Ephraim-Palais Berlin Paintings from Stechen to Hoyer: a selection of the most important 19th and early 20th-century paintings from Berlin galleries, starting with the German Romantic artist Karl Blechen and continuing through the Biedermeier period, German Impressionism, Beckmann and other expressionists, and on to the Neue Sachlichkeit. Closed Mon. Ends 238 0900. Atlas Museum The Last Days of Humanity: 600 photos, posters,

paintings and drawings illustrating artists' responses to the first world war, and including works by Beckmann, Kokoschka, Dix, Picasso, Chagall and Wyndham Lewis. Ends Aug 28. Closed Mon. Haus der Kulturen der Welt Tanzania - masterworks of African sculpture: 400 works from the 19th and 20th centuries. Ends Aug 7. Closed Mon. **BONN** Kunst - und Ausstellungshalle The Century of the Avant-Garde in Central and Eastern Europe: 700 works by 200 painters and sculptors, offering a thematic guide to the main artistic developments of the past century. Ends Oct 16. Closed Mon. **BRUSSELS** Palais des Beaux-Arts Robert Smithson: retrospective of the American artist, one of the founders of Land Art. Ends Aug 28. Closed Mon. **DUSSELDORF** Hetjens-Museum Ceramic Works of Picasso, Miró and Tàpies: 90 works by three leading Catalan artists of the 20th century, ranging from Picasso's decorative ovals and figures to Tàpies' massive sculptures. Ends Aug 28. Closed Mon. **ESSEN** Villa Hügel Paris - Salle Époque: an evocation of the period from 1880 to 1910 with paintings, drawings, posters, photographs, glass and furniture. Ends Nov 13. Daily. **FRANKFURT** Schirn Kunsthalle Goethe and Art: 300 paintings, drawings and sculptures ranging from antiquity till Goethe's death in 1832, and

including work by David, Schinkel, Caspar David Friedrich, Corot, Lorrain, Delacroix and Turner. Ends Aug 7. Daily. **GLASGOW** Glasgow Art Gallery Theatre Robert Rauschenberg - The Chroma Years 1915-1923: a retrospective of Mackintosh's (1868-1928) work, regarded as a period of decline. Ends Aug 7. Closed Sun. **HAMBURG** Kunsthalle Museum 60 paintings by Picasso, Braque, Dubuffet, Bacon, Chagall, Kandinsky and Miró. Ends Oct 25. Closed Mon. Deichtorhallen Fritz Schumacher and His Era: 700 drawings and plans by the early 20th-century architect renowned for his attempt to harmonise the spheres of work, home and recreation in modern town-planning. Ends July 17. Closed Mon. **LONDON** Hayward Gallery Bonnard and Bosquet. Ends Aug 29. Tate Gallery R.B. Kitaj (b1932): retrospective of the American-born figurative painter. Ends Sep 4. Daily. Marlborough Fine Art R.B. Kitaj: recent pictures and graphics. Ends Aug 20. Closed Sun. **MUNICH** Albert Museum Pugin - A Gothic Passion: retrospective of the 19th-century British designer. Ends Sep 11. Daily. National Gallery From Caspar David Friedrich to Ferdinand Hodler, A Romantic Tradition: Paintings and Drawings from the Reinhardt Foundation. Ends Sep 4. Daily. British Museum Indian Paintings

and Drawings from the Collection of Howard Hodgkin. Ends Aug 21. German Printmaking in the Age of Goethe. Ends Sep 11. Daily. **MADRID** Centro de Arte Reina Sofia Gerhard Richter: 100 works by one of the key figures in contemporary German art. Ends Aug 22. Closed Sun. **MARTIGNY** Fondation Pierre Matisse From Matisse to Picasso - 20th-Century Masterworks from the Gerni Collection: organised in collaboration with New York's Metropolitan Museum of Art, this exhibition shows Bonnard, Braque and Léger, with pride of place given to 13 works by Picasso. Ends Nov 1. Daily. **METZ** Arsenal Gold of the Gods: more than 800 pre-Colombian jewels, ritual knives and masques shown under Unesco patronage. Ends Oct 2 (tel 4410 7303). **MONTCEASSINO** Museo dell'Abbazia Medievale Illuminated Parchments from Southern Italy: precursors of the tele-documentary, these richly-illustrated parchment scrolls were thrown down from the pulpit at the climax of the Christian liturgical year, the Easter Vigil. The 31 known extant examples are on show, with their superbly lively and colourful scriptural illustrations. Ends Aug 31. Daily 9am-12.30 and 3.30-7pm. Montecassino is about an hour's drive south of Rome on the Naples road. There are excellent fish restaurants clustered round the base of the hill, with trout from local streams. **MUNICH**

Haus der Kunst Eran Vitis: 400 works exploring the links between Kandinsky, Klee, Arp, Miró and Calder. Ends Aug 14. Closed Mon. Kunsthalle der Hypo-Kulturstiftung El Dorado: 300 gold and ceramic treasures from pre-colonial Colombia. Ends Sep 4. Daily. **WILLS** Stuck Christ: an exhibition devoted to the grandiose urban projects which the Bulgarian-American artist has pursued during the past 30 years. Ends July 10. Closed Mon. Neue Pinakothek Wilhelm Leibl: 150th anniversary retrospective of the Cologne artist who was the leader of late 19th-century German Realism. Ends July 24. Closed Mon. Stadtmuseum Paul Strand: the first important European exhibition devoted to the American photographer, who died in 1976. Ends Aug 7. Closed Mon. **NANCY** Musée des Beaux-Arts Hans Arp: sculptures and drawings 1913-66 by the Alsatian artist who was one of the founders of Dada. Ends Sep 19. Closed Tues. **NEW YORK** Metropolitan Museum of Art Petrus Christus: 22 paintings by the 15th-century Netherlandish master, renowned for the jewel-like luminosity of his work. Ends July 31. Picasso and the Weeping Women. Ends Sep 4. The Annenbergh Collection of Impressionist and Post-Impressionist Masterpieces. Ends Nov 27. Daily - The Early Years: 59 paintings and 68 drawings, exploring the precocious first steps from his native Catalonia to his student years in Madrid and

his acceptance into the Parisian circle in 1891. Ends Sep 18. Closed Mon. Museum of Modern Art From Manet to Picasso - Masterpieces from the David and Peggy Rockefeller Collection. Ends Sep 8. British Drawings 1890-1990: the exhibition highlights the work of early modernists such as Vanessa Bell and Jacob Epstein, and examines the influence of Surrealism on such artists as Henry Moore and Edward Burna during the 1930s and 1940s. The postwar section includes work by Lucian Freud and David Hockney. Ends Sep 13. Closed Wed. Whitney Museum of American Art Edward Hopper (1882-1967) and Jack Palance (b1962): the latter has selected 20 works by the former, and placed them alongside his own work. Ends Sep 11. Joseph Stella (1877-1948): more than 200 works by the American modernist. Ends Oct 9. Closed Mon. **PARIS** Grand Palais The Origins of Impressionism 1859-69. Ends Aug 8. Closed Tues. Musée d'Orsay Nadar, Photographs 1854-65: Nadar was a friend of writers and painters, whose portraits raised photography to the category of creative art. Ends Sep 11. Closed Mon. Musée d'Art Moderne de la Ville de Paris Dutch Art of the 20th Century: the first part traces developments from Van Gogh to Mondrian, while the second focuses on 10 contemporary artists. Ends July 17. Closed Mon (11 ave du Président Wilson). Centre Georges Pompidou Joseph Beuys: retrospective of the gentle

revolutionary, a politically engaged artist whose piano draped in grey felt belongs to the museum's permanent collection. Ends Oct 3. Closed Tues. **STUTTGART** Staatsgalerie Italian Drawings 1600-1800: a representative selection of the large, high-quality Stuttgart collection, built up over the past two centuries and including work by Giambattista and Tiepolo. Ends Sep 4. Picasso: a rare showing of 400 prints from a private collection. Ends Aug 14. Closed Mon. Linden-Museum Art of the Aborigines: 80 wood paintings and 40 sculptures. Ends Sep 25. Closed Mon. **WASHINGTON** National Gallery of Art Willem de Kooning's Paintings: 78 works by the influential American expressionist. Ends Sep 5. Daily. National Museum of American Art Thomas Hart Benton: 70 works by the father of the Hudson River School of painting. Ends Aug 7. Mary Vaux Bassett: 50 watercolours by the early 20th-century naturalist, explorer and artist. Ends Aug 29. Daily. **ZÜRICH** Kunsthaus Dada: 150 paintings, drawings and posters by Duchamp, Man Ray, Ribemont-Dessaignes, Ernst and many others, plus posters, and other documents relating to the nihilistic movement. Ends Aug 21. Amor and Psyche (c1800): an artistic exploration of the classical Greek legend. Ends July 17. Closed Mon.

Just before 8pm, in the heat and humidity of a Tokyo summer evening, a young, grey-suited bureaucrat sits back in his chair in his office on the 15th floor of Japan's Ministry of International Trade and Industry, tugs at his tie and takes a breath of the stale air around him.

Under the ministry's regulations, the air conditioning was turned off at 5.45pm when business officially finished for the day. But for Tatsuya Terasawa, 33, deputy director of the ministry's division, work is far from over.

As is the case most nights, he will be the lucky to make it home on the last train, a little after midnight. More likely, he will take a cab from Kasumigaseki, where Japan's central ministries are concentrated and the cream of its civil servants work, to his flat in suburban Tokyo in the early hours of the morning.

Even by Japanese standards, Terasawa's lifestyle is not an enviable one. Yet his devotion is being appreciated less and less. Once seen as the architects of Japan's postwar economic success, the country's 1.2m bureaucrats are increasingly seen by politicians, businessmen and the public as relics of an antiquated order, scheming to protect their authority and profits at the expense of progress.

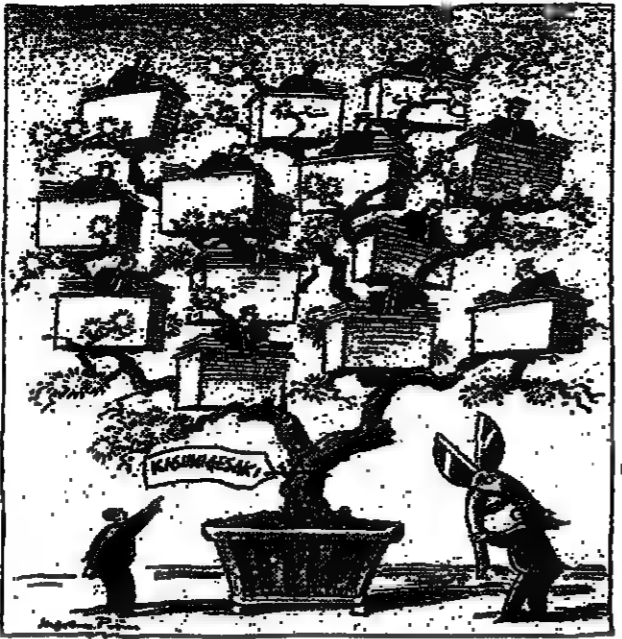
Japan's uniquely pervasive web of official regulations, which govern most aspects of life and give the bureaucrats their authority and power, is seen as a stifling entrepreneurial spirit and economic growth. "Bureaucrats say they don't have money, but they dig up the roads several times a year, build unnecessary dams, luxurious public offices and cultural halls. They are like blinking traffic lights on a deserted road," complained one letter this week in the *Nikkei*, Japan's business daily.

Outside Japan, US negotiators have blamed the intransigence of Japan's bureaucrats for the failure of the two countries to reach a trade agreement when President Clinton met the then Japanese prime minister Mr Morihiro Hosokawa in February.

In response to these pressures, the Japanese government is trying to weaken the influence of bureaucrats. On Tuesday, a detailed deregulation package was unveiled identifying a number of regulations, implemented by the dozens of Kasumigaseki, that could be abolished. The pack-

## Bloomin' bureaucrats

Michiyo Nakamoto on Japan's unloved, overworked civil servants



age aims to reduce business costs in housing, telecommunications, imports and distribution, and financial services. Japan's new prime minister, Mr Tomiichi Murayama, has promised to streamline the previous government's policy of deregulation.

The powerful *keidanren*, the confederation of economic organisations, wants the government to go further. It recently asked Prime Minister Tsutomu Hata, who resigned last week, to halve the number of regulations enforced by the bureaucrats of Kasumigaseki.

The response of Mr Terasawa to this assault sounds almost hurt. "We must realise that the bureaucracy has its limitations but at the same time it is critical to getting things done," he says. The belief in his own importance, shared by his many of his colleagues, has been bolstered by Japan's political turmoil, which has left the running of the country in the bureaucrats' hands while the politicians have been preoccupied with political survival.

The political vacuum has also strengthened Mr Terasawa's conviction that "bureaucrats are the ones who make the policy options, who implement policy and, in many cases, determine policy". He believes the role of politicians should be restricted to making a small number of decisions on controversial issues - such as taxation, opening up Japan's rice market, and national security.

But it is the *keidanren* that has fuelled much of the criticism of the bureaucrats. "The problem with Kasumigaseki today is that policy determination and implementation have become muddled together and have hampered administrative efficiency and led to the unnecessary expansion of the bureaucracy," says Mr Kōji Namioka, secretary general of the Citizens' Forum for Reform, an organisation set up by the *keidanren* to make demands for administrative reform.

Mr Terasawa's defence is that the Japanese bureaucracy

is in fact an agent of change in Japanese society. "Bureaucrats are often described as being like Chinese mandarins. But I think the reality is very different," he says.

Mr Terasawa, who was educated in the US, says the role of MITI is to encourage deregulation and act as a "catalyst to speed up social change". That, he says, is a very different attitude from that of the bureaucrats who were running MITI even a few years ago.

As a further example of how Japan's bureaucracy is changing and catching the public mood, he cites the latest trade talks with the US.

"My generation does not feel that we have to bow to every wish of the US, but the US has been able to do so with this change. They still expect Japan to come to a summit meeting with an *omiyage* - a gift. That is one reason why the February summit failed to produce an agreement," Mr Terasawa says.

But the flaw in his argument is that the pressure in Japan is not for a civil service prepared to take political decisions - but for one that does not impose a political point of view at all.

An elite corps of administrators which believes it has the right to make decisions of national interest and direct every detail of the country's economic and social life no longer seems relevant to a highly educated and well-informed public which increasingly seeks the freedom to make its own choices. It is a message that, if heeded, would force the Japanese bureaucracy to rethink its raison d'être. "The belief that we are doing something good for the public is the source of our pride," Mr Terasawa says, as he reflects on the modest 1980s flat he calls home after his long hours work and his wife and two children.

The compensations for such self-sacrifice are meagre. As a graduate of the University of Tokyo law department with a second degree from Harvard Business School, he would probably be earning double his current salary if he had gone into banking instead of the civil service. During his two years in MITI's American division, dinner has more often than not been a box-meal from a local caterer.

"Unless you have a strong belief that you are doing something for the good of Japan, you won't be able to work under such conditions," he says. "There just wouldn't be sufficient motivation."

## Floated on a royal wave

Joe Rogaly



Joe Rogaly

We Republicans are right. Most of the opinions expressed by the Prince of Wales are sound. As the founder and to date sole member of RAC, I can say that we agree with nearly every word he said in his self-promotional film on Wednesday night.

Not about his private life. That is none of your business, or mine. The public life of the heir apparent is what concerns us. The charities he supports are admirable. Their beneficiaries are found in all sections of Britain's ethnically mixed population. Indeed, the Prince projected himself as the opposite of a nationalistic little Englander. He would have no place in the xenophobic wing of the Conservative party. The respect he showed for other faiths, including Catholicism, Judaism and Islam, is in tune with his affirmation that there is a spiritual dimension to life.

He may or may not be a Tory, but he appears to be of the one-nation persuasion. He is right about the ugliness of much contemporary architecture. He is a Green, and a believer in civic virtue. Like many of us, he thinks that some form of national service, not necessarily military, should be re-introduced. This could be a winner. Rootless, jobless school leavers have to be found something constructive to do.

Clearly, Charles is running for king. His theme is the return of quality to British life. Lovely platform; shame about the office. This is the point upon which Mr Jonathan Dimbleby failed to press the Prince. I was too kind. "Failed to press" he blundered. The younger Dimbleby dodged the key question. He might have asked: "What if it is so soft that should

the British monarchy be privatised, sir? Not. There is no call for that. Turning the dynasty into the Independent Palace Trust would suffice. As purchaser of head of state services the government could award a contract to this or that hereditary institution to become sole provider. There might be competitive tendering. Other European or more far-flung royal houses would be qualified to bid. The monarchy should be regulated, by Offshore. Lord St John of Fawley would be an ideal choice for First Regulator.

Don't mock. The arbitrary use of the royal prerogative by ministers and civil servants is no joke. It constitutes a fatal flaw at the centre of the British non-constitutionalism. To put it right, the crown must be detached from the letterhead under which the executive does as it pleases. Let royalty be a living flag for all to salute, not a fig-leaf for an elective dictatorship. This is a serious constitutional proposal. Arguments for, against and around it will be found in *Power and the Throne*, a forthcoming book arising out of the debate on the monarchy organised by the *Times* and *Charter 88* last year.

As Lady Williams, the former Shirley, puts it, "the executive in Britain has something very close to absolute power; it hides behind the Crown as a way of hiding from us the extent of that power". Let us let the areas in which such power is exercised. The result is breathtaking. Under the royal prerogative ministers may conclude treaties, move interest rates, appoint anyone they please to any public position they like, award honours and peerages, manage the civil service, and fill endless volumes with delegated legislation, all without requiring prior approval from parliament. Most of the real deciding is done by officials.

The courts act as an uncertain brake upon the exercise of this huge quantity of authority. Prince Charles intimated in his film that he finds it difficult to influence the Home Office or the Foreign Office, let alone the Treasury or other departments. Yet all of them take thousands of decisions every year, under cover of his mother's name, and free of any check or balance.

**Clearly, Charles is running for king. His theme is the return of quality to British life. Lovely platform; shame about the office**

Change may come. Mr Jack Straw, campaign manager for Mr Tony Blair in the Labour leadership contest, favours a new Act of Settlement. That would reposition the Crown within the British polity. "...we should aim for a situation where all powers exercised by the executive, and by the monarch, are based upon statute, sometimes reinforced by direct decisions of the electorate through referenda," he wrote. Mr Straw's *Times* article was not picked up by his party. Labour is, however, committed to a number of constitutional reforms, all of which would diminish the power of the central executive. Give Scotland its own parliament. Entrench local government. Pass a bill of rights and a freedom of information act. Replace the House of Lords by a senate. These little things add up. Suddenly you have constrained Whiggism.

The Prince of Wales was not asked about these matters, but

it cannot be taken for granted that he would oppose all or indeed any of them. He might well support some, if only his interlocutor had the wit to inquire. His desire to be sworn in as defender of all religions rather than the church founded by Henry VIII for conspicuous reasons suggests a willingness to be separated from at least one of Britain's constitutional arrangements. Good. But the monarch is one thing, disestablishment quite another. The prince could be defender of the spiritual life and bishops could still sit in the Lords, if that is the way we choose to arrange matters.

Republicans for Charles can therefore claim that the House of Windsor would benefit from becoming semi-detached. The monarchy is in difficulties because it is under intolerable pressure. In my hot-headed youth I was an uncompromising republican (Ohsad), but I have since been persuaded that in Britain there is merit in the continuity of a floated-off royal house. It is a fine tourist attraction. On a more elevated plane it serves as a focus for national sentiment.

Cutting it free from the barbed substructure of our unwritten constitution would strengthen it. The occupant of the throne could become a private person, the essence of nationhood. As Sir John Stokess, former Conservative MP for Halesowen and Stourbridge, put it - "It is very important if you are going to war your oath is to the Queen, and not to the... secretary of state for defence..." Fine, so long as said secretary of state derives his authority from the people, and not merely from his officials' ability to deploy the royal prerogative according to whim.

\*Edited by Anthony Barnett. *Vintage, 20 Vauxhall Bridge Rd, London SW1V 2SA*

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 1NL  
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

### Iniquitous measure for pensions

From Mr T S Shucksmith.

Sir, Lex ("Securing Good returns," June 24) described the initiative of the actuarial bodies formally to downgrade cash equivalent by assuming higher (equity-based) returns for all but older pension scheme members as "nifty footwork by the actuarial profession". What for shareholders and corporate management may look like nifty footwork will look like sleight of hand to consistent scheme members. The government should not condone deception of scheme members based on esoteric (and unconvincing) argument.

I believe I am not alone in the actuarial profession in thinking that equity-based "cash equivalents" are iniquitous. They should be condemned as a false measure. It cannot be right for a value to be elastic according to the convenience of pension schemes for meeting minimum funding (or other) standards and easing the burden of debt on employer liabilities in the event of winding-up.

It is disturbing that when preservation in final salary schemes is still far from satisfactory, proposals should be countenanced which degrade an important early-leaver right, viz a transfer payment properly reflecting defined preserved benefits. After all, most members will be early leavers and few full-term retirement cases.

The government should by contrast be introducing clarifying legislation making it crystal clear that cash equivalents must be calculated by reference to comparable investments, ie on a gilt-edged basis for reinvestment of income and full credit for the relief of schemes from expenses of future administration.

T S Shucksmith, *Shucksmith & Co, Lincoln House, Nuffield Lane, Redgate, Surrey RH2 9EP*

### G7 must be more democratic

From Professor H W Singer.

Sir, In his book "Global Economic Management: A New Paradigm" (June 29), Edward Mortimer writes of "the intense suspicion with which the G7 is regarded by many third world governments". As he indicates, the G7 is suspected of "colonialist nostalgia or greed for oil".

This, however, is not the full story, nor even the main story. The main limitation of the G7 must be seen in the fact that it is highly unrepresentative. The countries of the G7 represent little more than 10 per cent of the world's population. This is surely a thoroughly undemocratic method of handling

problems of global macroeconomic management. In particular the third world, with a majority of mankind, is completely unrepresented, even though it is deeply affected by decisions in the G7. There is a strong case for the enlargement of the G7 by at least adding, say, Brazil for Latin America, South Africa or Nigeria for Africa, and India for Asia. One alternative would be for the UN in the person of the secretary-general to act as a spokesman for third world countries. Another alternative suggestion for making the process more democratic is to vest global economic management

in a new UN Economic Security Council - this is elaborated in the current 1994 Human Development Report published by the UN Development Programme.

Whatever the method chosen - and there are other alternatives apart from the three mentioned here - the case for broadening the scope of global management is incontrovertible. Hopefully this will make the process more effective as well as more democratic.

H W Singer, *Institute of Development Studies, University of Sussex, Brighton BN1 9RS*

### Still very much on track

From Mr Lesley Smith.

Sir, Observer criticises Railtrack's presentation of its case and suggests that this failure may be because my heart is not in my job ("Wrong track," June 29).

I cannot pretend that restructuring the grading and working practices of 4,600 key Railtrack staff presently grouped in 14 grades with a wide range of allowances and enhancements for their varied responsibilities is easily simplified. I hope that effort and persistence will enable us to explain the value of our offer.

I am concerned, however, at the suggestion that I lack the commitment to do so. That is wholly untrue.

I have been extremely fortunate in my recent career. It was a privilege to work for the late leader of the opposition and his team, as it has been since to work for ScottRail, among the most talented and high achieving of the rail profit centres. I am equally enthusiastic to be able to play a part in Railtrack's task of safeguarding the future prosperity of the rail network. I am touched by your concern for my heart but can assure you that it is, as ever, in my work.

Lesley Smith, *head of government and public affairs, Railtrack, 40 Bernard Street, London WC1N 1BY*

### Printing price fall not so great

From Mr Colin Stanley.

Sir, The UK printing industry has maintained its efficiency through recession but prices have not tumbled as Mr Erwin Königs, of Linotype-Hell, suggests (Technology: "Death of a craft," June 28). He says "the price of printing has been cut in half in the past two years or so". Printers have competed hard during this recession and continue to give extremely good value. Let's not exaggerate, however; today's

price for printing ranges from 1990 levels to 5 per cent below that.

At the depth of the recession it was 6-10 per cent below the peak touched in mid-1990. We believe this to be achievement enough and would not like to pretend to have done better.

Colin Stanley, *director-general, British Printing Industries Federation, 11 Bedford Row, London WC1R 4DX*

### The global investor

From Mr Peter B Vos.

Sir, I refer to Gillian O'Connor's comment (Serious Money, June 28) in which she states that "sticking to the UK (stock market) is the global equivalent of keeping your life's savings in a box under the bed".

This could hardly be less true today when an increasing proportion of UK national product is earned in trade with the "global market" and as a result of the UK's high level of investment overseas. The UK stock market is unusual because, unlike other leading stock markets such as New York or Frankfurt, its largest constituents trade predominantly outside their home markets.

Although it is reasonable to spread investments to access other markets, including (for the brave) the emerging markets, it is also possible to have a globally balanced portfolio with the majority of constituents quoted in London.

Peter B Vos, *deputy finance director, Brotherton, Levens, Lower Beeding, Horsham, W Sussex RH18 6PP*

### Over-stated case against herbicide resistant oilseed rape

From Professor Michael J Crawley.

Sir, While it is prudent to exercise great caution before introducing any novel organisms into the environment, Dr Alan Wraight (Letters, June 29) overstates the case against the introduction of herbicide resistant oilseed rape.

Dr Wraight writes that "it is obvious to anyone that oilseed rape is colonising set-aside land and marginal habitats such as motorway verges". Precious little in ecology is obvi-

ous. Oilseed rape is not colonising set-aside land. The plants you see growing there have come from a bank of seeds in the soil, left over from previous cultivation. As to motorway recruitment, it is rare on older, undisturbed sections.

Detailed study shows that most of the populations of oilseed rape are ephemeral: here one year and gone the next. The fact that many more rape verges, oilseed rape is seen on the side of the M25 motorway heading towards the seed processing

plant compared with the opposite verge suggests strongly that the source of the plants we see each spring is seed spilled from lorries en route to the crushing plant, rather than recruitment from an established population.

Detailed experimental work comparing invasiveness of conventional oilseed rape and genetically-modified, herbicide tolerant rape showed no evidence at all that genetic engineering led to increased invasiveness (1993, *Nature* 363, 620).

It is important to remember that genetic modification which creates tolerance to one herbicide does not confer tolerance to other, different kinds of herbicide. It is ecological risk assessment is to be taken seriously, then it needs to be based on firm evidence rather than idle speculation.

Michael J Crawley, *professor of plant ecology, Department of Biology, Imperial College at Silwood Park, Ascot, Berks SL5 7PY*

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## FINANCIAL TIMES

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Friday July 1 1994

## Building on the recovery

For the first time since 1981, the Organisation for Economic Co-operation and Development has been able to revise its projections upwards. It now expects the output of its members to grow 2.6 per cent this year and 2.9 per cent in 1995, up from 2.1 per cent and 2.7 per cent, respectively, in its forecasts of last December. Never revision is itself an excellent indicator of recovery. The principal question now is how to make recovery as long and as strong as possible.

The recovery in OECD countries is still divergent, but becoming less so - is an important element in a brightening global picture. Aggregate growth in the dynamic Asian economies - Korea, Taiwan, Hong Kong, Singapore, Thailand and Malaysia - is expected to remain at about 7 per cent in 1994 and 1995. China's economy is growing faster still. The Latin American economies are expected to grow at about 4 per cent in 1994 and 1995, while output is even beginning to rise in the Czech Republic, Hungary and Poland.

Marketed growth has not only become global, but the Uruguay Round trade agreement should, if ratified, ensure that it stays so. OECD-wide inflation is also lower than since the 1960s, with aggregate inflation in the group of seven leading industrial countries forecast at only 2 per cent in 1994. The effort to eliminate the high inflation of the 1970s has now succeeded and must not be repeated. All OECD countries need to create institutional arrangements that

not only prevent inflation from getting out of hand once more, but do so credibly.

Perhaps the most important obstacle to securing this goal is their fiscal positions. Between 1989 and 1993 the ratio of general government gross debt to GDP in the OECD countries is expected to rise from 58 per cent to 61 per cent. It should then stabilise, though under what seem to be optimistic assumptions. Worryingly, real interest rates are now higher than the likely long-term rate of growth of most OECD countries. In addition, members have substantial net pension liabilities - of more than twice GDP in some cases.

The question investors in bonds ask themselves is whether governments might find an inflationary default tempting. The answer depends on how heavily the burden of debt weighs upon them. On some countries, it weighs heavily already. In Italy, for example, net debt interest makes up a fifth of all government spending. There are other important reasons for undertaking further fiscal consolidation. But the most important is to make sustained low inflation more credible and inflation-risk premia in long-term interest rates correspondingly smaller.

Inflation, like fiscal deficits, is not an immediate problem for most major industrial countries. The beginning of a recovery is the ideal time to tackle long-term constraints. The world enjoys a splendid economic opportunity. Governments should be thinking now about how to secure it.

## Privatising Post

The Green Paper on the future of the Royal Mail published yesterday contains a surprise. The government's preferred option is to sell 51 per cent of the Royal Mail, with a regulator and statutory guarantees to protect universal service. The counters division would be divided into a separate company, to be sold to a private owner. The government's favoured plan meets that aim in all respects. There is no good reason to delay legislation beyond the next parliamentary session.

The object, now widely agreed, is to free the Post Office to act commercially, while meeting public concerns about the maintenance of a universal postal service and village post offices. The government's favoured plan meets that aim in all respects. There is no good reason to delay legislation beyond the next parliamentary session.

The Green Paper sets out two alternative options: first, to privatise the Royal Mail in its entirety; second, to keep the utility wholly within the state sector, with guarantees of greater operational freedom. A case could be made for either course, but neither is practicable in today's circumstances. Public opposition to a sale, already evident, might become insurmountable if complete privatisation were proposed. In any case, the usual practice is to sell a company the size of the Royal Mail in more than one tranche. The 51 per cent first tranche floated, it would be open to a future government to seek parliamentary approval to proceed further.

## Not the SFO

The division of labour between Britain's Serious Fraud Office (SFO) and the Fraud Investigation Service (FIS) has always been somewhat arbitrary. While the SFO has more draconian powers both to investigate and prosecute, both organisations deal with complex and complex fraud cases. It is therefore hard to argue with the suggestion of an official review body that the two should be merged. The review body found that the SFO's procedures for the service of Section 2 notices were surprisingly informal. A wide debate on the procedures suggested by the review body for the SFO is needed.

That said, the administrative merger for a merged organisation to deal with complex and complex fraud is overwhelming grounds and is further strengthened by the recent decline in the SFO's case load. The real question is how to go about it. Practical considerations point to an enlargement of the SFO, rather than the option of putting the merged body within the FIS would require legislation. The Criminal Justice Act would have to be amended and the Prosecution of Offences Act 1985 might also require adjustment. This would delay implementation of the reform until at least 1996, which would be a long time for the government's confidence in the SFO to waver.

Part of the advantage of a merger is that the SFO's very effective powers of questioning and gathering evidence under Section Two of the Criminal Justice

Act is a simple 10-year-term life insurance policy in Portugal and you can expect to pay more than three times what you would spend on exactly the same contract in France. The difference demonstrates clearly the case for a single European market in insurance.

From today, such price crepancies may begin to fade as a result of new rules freeing up restrictions on cross-border trade in the European market. But the continent's 320m consumers will not see benefits overnight. Experts inside and outside the insurance industry expect change to be slow.

The European Union expects that five of its 12 member states will implement the so-called "framework directives" by today's deadline. All 12 countries - Spain and Greece should have done so by the end of the year. The directives mark the final stage in a programme to liberalise the insurance (€309.2bn) a year life and general insurance industry, extending changes introduced in the commercial market in 1990.

The directives do two things. First, they make genuine "cross-border" trade possible by allowing insurance companies to sell their products anywhere in the EU on the basis of regulations in their home state, the so-called "single licence" or "single passport".

Second, insurers throughout the EU will be allowed to set their own rates for all classes of insurance policy. They will no longer need to submit policy wordings to local officials for approval, thus effectively dismantling the highly regulated, protectionist regime behind which much of the industry has sheltered.

National regulators will focus their attention on the underlying financial health of companies, following the practice already well established in the UK, the Netherlands and Ireland. "Supervision will be based on the underlying health of the company, its shareholders, its management - and no longer on its products or its rates," says Mr Francis Lohac, director-general of the Comité Européen des Assurances, the European industry association.

Today's directives are the culmination of legislation started in the 1970s, which gave European companies the right to set up subsidiaries throughout the Community. An initiative approved last year, the insurance directive, should make it easier for insurers to compete in the financial strengths of competing companies.

Although many countries - notably France and Belgium - have liberalised regulations well in advance of today's changes, the rules will have an immediate impact elsewhere in the EU. The changes will lead to what Mr Lohac calls a "ver-

## Hard work to be free and single

Richard Lapper examines the opportunities and constraints of a single European market in insurance

itable revolution" in Italy and Germany, the two countries which to adapt to a deregulated environment. For example, the two countries will be required to remove controls on their motor liability insurance - a sector where minimum rates still apply.

The overall effect of the changes in regulatory approach will further increase competition, eroding the cartel-like arrangements through which large national companies - such as Allianz of Germany, Union Generali of Italy - have long dominated their local markets.

In more regulated markets such as Germany, companies are being forced to underwrite more selectively, varying premiums in areas such as home and motor insurance according to the risk and likelihood of a claim. Products such as unit-linked life insurance are likely to offer consumers potentially greater returns on investment, now being introduced.

"Our companies are now competitors. Before, it was a matter of the market share of a rival," says Mr Robert Robyns, a Belgian Union of Insurers, which introduced new rules in 1991.

Nevertheless, despite the injection of new competition into the industry, price differentials are likely to stay in place for the immediate future. Mr Jean-Paul Coteur, a Belgian insurer, says that the Belgian consumers' association, which he has led, is disappointed by the slow pace of change.

"I have to tell them that it won't be possible to go abroad," he says. "They know they can't get it cheaper but it won't be possible. We've had a dozen people ringing us over the last six months."

Factors ranging from price, to local tax and legal conditions and consumer buying patterns will conspire to hold up implementation of a true single market.

First, the incidence of claims varies widely across the EU. For instance, motor insurers must take into account varying degrees of road safety and different levels of access to accident victims.

## Europe's insurance market: hard to harmonise

Average premiums (Ecu)  
Experienced driver  
with a good record;  
Peugeot 406 1.5 (Ecu)

585	Ireland
334	Belgium
307	Luxembourg
304	Germany
297	France
219	Italy
212	Spain
192	Denmark
169	Netherlands
167	Portugal
155	Great Britain
127	Greece

Young driver,  
Seat Ibiza 1.2

1,821	Ireland
480	Belgium
372	Luxembourg
957	Germany
806	France
375	Italy
718	Spain
446	Denmark
473	Netherlands
257	Portugal
687	Great Britain
155	Greece

Cheapest premiums for term insurance (Ecu)  
A 30 year old, non-smoking, 10 year term, sum equivalent to Ecu 200,000

1,821	Ireland
480	Belgium
372	Luxembourg
957	Germany
806	France
375	Italy
718	Spain
446	Denmark
473	Netherlands
257	Portugal
687	Great Britain
155	Greece

Source: Bureau Européen des Unions des Consommateurs, 1993 figures

across member states.

Second, the level of services offered by insurers can differ. "Belgian consumers expect their brokers to drive to their homes at all hours of the day to settle claims. I don't know whether that makes economic sense or not but that is what people have come to expect," Mr Robyns explains.

Third, despite the common regulatory framework of today's directives, legal disparities remain. Some classes of insurance - kidnapping and ransom policies in Italy, for example - are illegal in parts of the EU. There are fears that interpretations

by national regulators of the "general good" - a Europe-wide legal principle which could restrict the commercial freedom of companies despite the provisions of the single licence.

Moreover, to vary premium rates to suit certain classes of customer could be seen as discriminatory, for groups such as ethnic minorities.

Fourth, variations in tax regimes will have an impact on life insurance business because sales are often driven by tax advantages. While restrictions to cross-border sales have been lifted by the new directive, a European Court ruling of 1982 keeps others in place. Indi-

Bruce Clark follows the trail of western diplomats to an Orthodox Christian enclave in Turkey

## Hosanna in oasis

An unusual number of black limousines with diplomatic plates have been spotted recently in the winding alleyways of Fener, a rundown stretch of waterfront on the Golden Horn of Istanbul.

Travelling in these august vehicles have been foreign ministers, or top officials from France, Italy, the US and Greece and the man they visited is Patriarch Bartholomew I, a spiritual figure among the world's 160m Orthodox Christians.

For a churchman who keeps a low profile, at least in his native Turkey, the 270th Patriarch of Constantinople is receiving an impressive flow of callers.

At the same time, the 53-year-old prelate - a shrewd, genial and erudite figure who speaks six languages - is getting some less desirable sorts of attention.

The windows of his residence, a wooden mansion where the scent of floor-polish and fresh flowers mingle with more pungent odours from the street, are continually broken by stones, apparently cast by local hooligans.

Attacks on him in the Turkish press have increased since the

March elections, when an Islamic-leaning party captured the municipality of Istanbul. In May, three small bombs were thrown on his doorstep.

There is a growing threat to the Patriarchate, a 1,500-year-old legacy of Byzantium, to remain on the map in mainly Muslim Turkey.

What in turn explains why he is getting so many high-level visitors for the importance of the Patriarch, and his right to remain in Istanbul, is increasingly clear in the governments of the world. With the parting of the Iron Curtain, a much older division - between eastern and western Christianity - has recovered its relevance in the affairs of Europe.

The ancient rift between Orthodox Christians (who include most Serbs, Russians, Greeks, Romanians and Bulgarians) and Roman Catholics (who include Croats, Slovenes and Slovaks) is now an issue in modern geopolitics. It is stoking passion in former Yugoslavia and threatening to divide western and

eastern Ukrainians.

So for diplomats as well as theologians, it matters more and more what the Patriarch says; and also what he does.

His existence as a tiny island of Christianity in a Muslim Turkish sea is precarious; and for that reason, he has a vested interest in advocating ethnic and religious tol-

erance. Interviewed in his dignified but far from luxurious quarters, he presented the Orthodox view in much more conciliatory language than is generally heard in countries where his flock are the majority.

On the future of Turkey, a country of which he is legally obliged to be a loyal citizen, he is a strong advocate of the liberal, pro-western

ideals of Kemal Ataturk, the state's

There are obstacles to Turkey's full entry into Europe, but they should be overcome. Turkey should become a full member of the European family, where it has so much to offer. "He welcomes the fact that some fundamentalists have been purged from Turkey's army and education system; but he is worried by the sight of women wearing Islamic dress, and by calls for Islamic law. "The fundamentalists have become better organised, more emboldened... It will be harder now for anyone to rein them in."

The Patriarch - in contrast with the frank intolerance of many churchmen in Greece and France - is an advocate of dialogue with the "great monotheistic traditions" of Islam and Judaism as well as with the other branches of Christianity.

Patriarch Bartholomew is unequivocal in denouncing the anti-Jewish prejudice which informs the public comments of some headline Turkish bishops. "It is to be regretted that it runs counter to

religious freedom."

He acknowledges that links between the Orthodox world and the Vatican have deteriorated, but he is jostling for souls in Romania and Bulgaria. For three years, the Patriarch has suspended talks over theological matters until quarrels over religious buildings can be settled.

Yet he continues to make conciliatory gestures, even at the risk of appearing "soft on Rome" to his flock. This week he sent an envoy to the Vatican who was warmly greeted by the Pope.

As for the Anglican churches, he predicts, with a certain mischievous relish, that they will soon accept the Eastern view on the key theological dispute, concerning the significance of the Holy Spirit, which divided East and West in 1054.

"We say that the truths of the undivided Church are as follows: alpha, beta, gamma, delta... You have added some things - where do you get them from?"

But as he speaks, his remarks are almost drowned out by another sound, carried across the sweltering air: a muezzin is calling the Muslim faithful to prayer.

## Tripe in the knapsack

On day 19 of random shelling by the UN, the UN is still not a British quagmire?

Among the weighty topics pondered by the House of Commons' Foreign Affairs Committee on Britain's 1994 defence estimates, paragraphs 14-15 concern the future of British troops serving in former Yugoslavia.

The British army is apparently under pressure from the United Nations to adopt a (cheaper) UN rationing system. The UN is fed up with paying the Brits "the UN per capita rate".

Mind you, they have funny ideas about matters at the UN. A UN "meal week" is either six or seven days; "even-numbered" have six days, "odd-numbered" seven. On six-day weeks the poor old UN campaigner must eat the rationed "meat" with him - "to turn over stocks".

Leaving that little problem aside, there is the question of the UN's menu. The UN of a square meal is "falouky without garlic", while such delicacies as black pudding, Marmite, steak and kidney pudding, shredded wheat and mussels, are off-limits.

This is a "far from trivial concern" thunders the UN committee, which is counting on ministers to intervene to prevent

any deterioration in either quality or quantity of food on British mess tables. Soakra-bashing may not replace the spud yet awhile.

## They're off!

Why did Hong Kong's legislative council cram its deliberations on governor Chris Patten's democracy proposals between the start of Wednesday and the ungilded hours of Thursday morning, when matters would end at 4.50am?

Patten wanted the session to span two days. To his annoyance - he must be getting annoyed at the frequency with which he is annoyed these days - he was overruled by John Swain, LegCo president.

Swain had an urgent appointment elsewhere. He had to be at Britain's Sandown Park for today's big race - the £30,000 Royal Hong Kong Jockey Club Trophy.

## Homeward bound

No word yet on Sir Andrew Hugh Smith's plans after he steps down as chairman of the London Stock Exchange in a fortnight. But Martin Hall, head of Hugh Smith's propaganda machine, is already being courted by headhunters. Maybe he will succeed Rosalind Gilmore as chairman of the Building Societies Commission. A Treasury baffle, he helped draft the Building Societies Act. One drawback - he is 55.

## OBSERVER



have a long-term future? And the job is only a Grade-II civil post - so Hall might have to take a hefty pay cut.

## Only dregs

Brazilian dexterity is not limited to the soccer field. The Dart family, the polystyrene-cup billionaires holding \$1.4bn of old Brazilian bank loans, who refused to join the giant bank debt restructuring in April, has sued the Brazilian central bank. They are seeking \$60m of back interest and accelerated payment of the \$1.4bn. The Darts are about to find out

that their cup runneth not over. In anticipation of their attitude, the Brazilians ensured the collateral which backs the debt restructuring was not held - as is traditional - with the New York Fed. Instead, it was placed with the Bank for International Settlements in Basle, in the hope of keeping it beyond any court action. Sensible move.

## Right Charlie

It is rare to see anyone - never mind a future king - agree to being grilled about sexual dalliances on television, the lowest common denominator of contemporary culture. An instance perhaps, as Lord Byron put it in Don Juan, of "Not quite adultery, but adulteration".

## After eight

A final savoury from Corfu. When European Union leaders were asked to mark their cards in favour of candidates to succeed Jacques Delors as president of the European Commission, the only piece of paper to hand was the dinner menu.

Jean-Luc Dehaene, Belgian premier, came top with eight votes; but José Manuel Barroso, a Greek dessert fourth. Sir Leon Brittan managed only fifth with just one vote, from John Major. Brittan is upset. The Greek presidency's decision to hold a

## There's the rub

Given where the National Union of Mineworkers is holding its annual conference this weekend? No, not Scarborough, Southport or even Jersey.

Arthur Scargill will rally what's left of his union in Blackpool's Miners' Convalescence Home. In the agenda's familiar enough, including a motion for a £90 a week strike pay rise and the threat of industrial action if they don't get it. They will also be discussing Angola. The NUM has shrunk from nearly 200,000 members in 1980 to fewer than 10,000. The physiotherapists' union has more members.

## Fare play?

The break-up of British Rail has given the various operators a field day in passing the buck. Wednesday's rail strike is a signwriter's rail strike. This opportunity to breathe a sigh of relief. "Whilst South West Trains are directly involved in the dispute we regret the problems that this will cause." It's not our giv - but we like it to be.



# FINANCIAL TIMES

Friday July 1 1994

**brother**  
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## Italian state broadcasting managers resign Scalfaro clashes with Berlusconi over media

By Robert Graham in Rome

Italy's president Luigi Scalfaro has openly challenged the six-week-old government of Mr Silvio Berlusconi, a cabinet decision that forced the resignation yesterday of the senior management of RAI, the state broadcasting corporation.

On Wednesday, the cabinet renewed a decree giving continued financial backing to RAI, but inserted a clause making clear that it wanted a rapid management change.

Mr Scalfaro is refusing to sign the decree, apparently on the formality that the board was properly appointed by the speakers of the two houses of parliament and could stay in office until the end of the year.

After a day of political tension, a compromise was hammered out that obliged the government to rewrite the decree to enable the president to sign it. The nature of the compromise was still unclear last night.

The resignation of the five-man

board was the latest step in a political battle in which the opposition has accused Mr Berlusconi, the prime minister, of trying to impose government control on public broadcasting. Mr Gianni Locatelli, RAI director-general, announced separately that he had also resigned.

The battle between the government and the president caused nervousness in the financial markets. Shares on the Milan bourse fell nearly 2 per cent and the lira came close to the threshold of L1,000 against the D-Mark.

The controversy well beyond the issue of debt-ridden RAI. It is the new rightwing government's control of the principal media outlets.

The opposition parties, apparently backed by the president, are concerned that, with Mr Berlusconi's Fininvest controlling 80 per cent of commercial television, there is a risk that the new government may enjoy an information monopoly. Mr Berlusconi is angered by what he regards as the bias of the three

state-run television networks against the government.

Mr Scalfaro is understood to have been pressed by all the opposition parties to refuse his signature on the ground that much media power was being placed under direct government control.

There are few precedents for a president's declining to sign a cabinet decree. In March 1993 Mr Scalfaro delayed signing a decree to provide amnesty for people involved in the corruption scandals. His decision nearly brought the immediate end of the Amato government and was a significant factor in its eventual collapse.

Constitutional lawyers argued that it would be difficult for the president not to sign. With the board handing in its resignation yesterday, that might mean RAI being taken to a bankruptcy tribunal.

RAI last year lost L522bn (€22bn) but since the new management was brought in, costs have been cut.

## OECD calls for tough stance on inflation

By Gillian Tett, Economics Staff, in Paris

The turbulence in the world's financial markets could be averted if monetary authorities in industrialised world took more action to underpin their commitment to low inflation, the Organisation of Economic Co-operation and Development said yesterday.

The call came as the OECD unveiled its latest half-yearly outlook, which shows a steady state of growth upwards for the first time since 1991, with industrialised economies expected to expand by 2.5 per cent this year and nearly 3 per cent in 1995.

With the recovery now well entrenched in the US and UK, growth in continental Europe will be boosted by rising exports, said the Paris-based OECD, which represents 25 of the world's industrialised nations.

Meanwhile, Japan's economy will begin to grow by the second half of this year, boosted by rising domestic demand.

But the recent bout of market instability and the rise in long-term interest rate expectations could undermine those projections, Mr Kumiharu Shigehara, the OECD's chief economist, warned yesterday.

If the yen strengthens significantly - as it has done in recent days - this is likely to slow the pace of the Japanese recovery by reducing Japan's exports, Mr Shigehara said. And though the dollar's slide against the yen has not yet been repeated against other currencies, a weaker dollar would fuel US inflation.

Meanwhile, the recent rise in long-term interest rates, and the broader market turbulence, suggests that governments should make more effort to emphasise their commitment to low inflation, without overreacting to every market movement, Mr Shigehara said.

"More effective articulation of clear commitments to sound public finances and price stability, and, where necessary, decisive corrective actions... would contribute importantly to the stabilisation of market expectations."

Although Mr Shigehara declined to point his finger at any particular government, the OECD's outlook suggests that the US may be one country where such clearer commitments would be particularly welcome.

Nevertheless, Mr Shigehara warned against "overreacting" to erratic market swings and stressed that the recent rise in interest rate expectations could not be solely attributed to inflationary pressures but also reflected traders' rising bond yield expectations and growing aversion to risk.

World recovery gathers pace, Page 5  
Editorial Comment, Page 19

## THE LEX COLUMN

### Plaster model

Whether companies can restore profit margins to the levels of the late 1980s is a recurring question for the UK equity market. Yesterday's full-year figures from BFB give reason for optimism. While plasterboard prices are still 26 per cent below the peak - and are unlikely to rise much from here - the company's drive for efficiency has started to show results. Operating margins widened from 7 per cent to almost 12 per cent last year, with more to come as capacity utilisation improves. Another two or three points of margin combined with gently rising turnover would more than justify the current rating of the shares.

In many respects, plasterboard is a special case. Unlike petrochemicals or steel, recession has dramatically thinned the ranks of manufacturers. Competition among the three dominant European companies is hardly cut-throat and selling prices are already well above the trough reached in the early months of 1992. What Pilkington would give for a similar recovery in glass prices. Plasterboard is a growth product thanks to changing construction methods, so the remaining overhang of capacity is less of a worry than in other industries.

BFB has also made an unusually bold move into continental Europe, which now accounts for more than half of turnover. Companies which have all their eggs in Mr Kenneth Clarke's basket may face the future with less confidence. Even allowing for such caveats, though, yesterday's figures serve as a reminder of how geared to recovery many UK industrial companies have become.

task will be to devise a new store format that can compete with the best in the business and fuel long-term earnings growth. On that score, Asda still has it all to prove.

Asda's impressive trading recovery, though, does not yet translate into a compelling financial case. Those shareholders who backed Asda's cash call 18 months ago will be dismayed that the shares still languish at below the rights price. They will also be irritated at Asda's habit of revising the value of its properties. The decision to depreciate ageing stores should have been taken long ago. Clearing the accounting decks twice in two years either makes a mockery of the company's cleanliness or - more plausibly - a somewhat careless approach to the past. Asda is not alone.

Inchcape's decision not to increase its stake in Gestetner can be seen as a reaffirmation of the company's commendably cautious approach to acquisitions. Rather than make a blind bid for the whole of Gestetner a year ago, Inchcape preferred to proceed on a suck-it-and-see basis by buying a 15 per cent stake, two seats on the board and the chance to pursue the internal acquisition. The acquisition of a 33m option gives Inchcape the chance to buy more if it liked what it saw. That it has not is no disgrace.

The more negative interpretation, though, would be to question what Inchcape was up to in the first place. Given Inchcape's long-standing relationship with Ricoh, it was always going to be tricky to deepen its involvement with Gestetner. It is understandable that Ricoh would want to keep its distribution options open. That suggests Inchcape's adventure was somewhat misconceived from the start.

Inchcape has been left with a fair chunk of capital and management resources tied up in a different business. Inchcape may be able to develop some useful trading relationships with Gestetner in the far east but the linkage must count as a strategic diversion. Still, Inchcape has more pressing issues to worry about. The inexorable rise of the yen against the dollar will be causing greater headaches given Inchcape's reliance on selling Japanese goods abroad.

Still, after cigarettes and newspapers it is clear that the equity market does not like price wars. Banks look vulnerable to the phenomenon. While many complain bitterly about overcapacity, their actual returns in the retail sector are quite high: net return on shareholders' funds at TSB, for example, was an annualised 15.5 per cent in the six months to April. That leaves plenty of room for margins to come under pressure.

The uncertainty is about timing. The example of credit cards shows that established issuers like Barclaycard can hold their own against new entrants who undercut them. While overall loan demand remains slack, there is little incentive for big banks to cut their high retail margins on activities that really matter. They simply risk losing profits without adding volume. Paradoxically it is when loan demand picks up that price wars could really start.

Asda

Corporate strategies are often a matter of post facto rationalisation. So it has been with Asda. The company's dedication to improving sales from existing space largely reflects the lack of any alternative. With the weakest of the big grocery brands and severe financial restraints in the past, Asda was forced to stop opening new stores some time ago. So it sought another means of salvation. Fortunately, its emphasis on permanently low prices and increased productivity has anticipated the needs of the 1990s perfectly well.

Asda is therefore at present registering the strongest like-for-like sales increases in the sector. It is, of course, easier to make such gains from a low base. But one should not dismiss the real progress being made. The harder

UK banks

At one level, falls of some 3 to 5 per cent in leading clearing bank shares yesterday were a strange reaction to Abbey National's decision to have its current account overdraft rate. Since Abbey has only £13m in overdraft business in its balance sheet, its overall lending margin will hardly be affected. That does not seem to warrant a fall of over 3 per cent in its shares. Since it has only around 3 per cent of the market in current accounts, it could double its own business in this area without having much impact on the competition. It would have been different if a large player like National Westminster had slashed its rates. Then its own fall of 5.4 per cent would have seemed a modest reaction.

Still, after cigarettes and newspapers

## Japanese PM picks cabinet weighted with conservatives

By William Dawkins in Tokyo

Japan's new socialist prime minister took a step to the right yesterday in selecting a cabinet dominated by conservatives and pledging to work for stable economic growth.

Mr Tomiichi Murayama, elected the first leftwing prime minister for 47 years on Wednesday night, allotted 13 cabinet posts - including foreign affairs, international trade and industry and defence - to the Liberal Democratic party, his traditional enemy and the largest member of his three-party coalition.

Two seats, including the ministry of the smallest coalition partner, the New Horizons party, which is expected to cut income tax, Mr Murayama's Social Democratic party took three cabinet posts.

Mr Murayama, on the moderate wing of a deeply divided SDP, promised to continue previous governments' policies of political

reform and economic deregulation. That suggests that the recent measure to ease bureaucratic restrictions, the final act of the former government of Mr Tsutomu Hata, will survive intact.

The prime minister also called for international co-operation to stem the rise of the yen, which touched ¥98.75 against the dollar in Tokyo yesterday, fuelling fears that resulting damage to Japan's export earnings might choke the early stages of recovery.

Mr Masayoshi Takemura, the finance minister, said he would seek a multi-year income tax cut to be financed by lower public spending rather than through a rise in sales tax.

The unexpected victory of the three-party alliance, dominated by the older generation of politicians, prompted puzzlement and alarm from the US, Japanese business leaders and Tokyo's influential bureaucrats.

They fear that the new government will restrain Japan's eco-

nomics and be an inexperienced advocate of its foreign interests. The LDP and SDP, in government and opposition for 36 years until last summer, have few policies in common, although they have a history of backroom parliamentary co-operation on some matters.

"I am shocked," said Mr Shirohiko Toyoda, chairman of the Kaidanren business federation. Mr Takeda Nagano, chairman of the Nikkeiren employers' federation, said: "Mr Murayama's capability as prime minister is in question. But we call for his leadership to overcome this chaotic situation."

However, a US official in Tokyo believed the LDP was "tampering influence". China and South Korea warmly welcomed the new government, a reflection of their close links with the SDP.

Japan set for \$1.3bn South Africa package, Page 3  
Thirteen cabinet posts go to traditional political foes, Page 4

## Fed under pressure to raise interest rates

Continued from Page 1

5.75 per cent by year end, creating a large positive differential with Japanese and German rates.

Personal incomes rose 0.6 per cent in both April and May, reflecting fast employment growth. Outstripped consumer spending, the savings rate rebounded in May to 4.7 per cent against an average of 3.5 per cent

in the first quarter. The recovery of savings indicates the economy is poised to grow robustly in the second half when exports should benefit from improving demand in Europe and Japan.

Orders rose 0.6 per cent in May, the ninth increase in the past 10 months. The Conference Board's "help-wanted" index rose sharply in May, a sign of tightening labour

Many analysts believe the Fed will raise rates next week, either at the policy meeting of governors and regional presidents on July 5 and 6 or a few days later, after the publication of crucial data for June employment, car sales and department store sales. Some economists believe the Fed will raise the federal funds rate by a quarter point to 4.5 per cent next week.

**FT WEATHER GUIDE**

**Europe today**

A new warm spell will begin in France, Italy, the Alps, and southern Germany. There will be much sunshine boosting temperatures to 36C in southern and eastern France. Scattered thunder showers will develop in the Alps. There is also the possibility of a thundery outbreak in north-western France. Further north, cooler and dry air will move into Poland, the Baltic countries, and Finland. Most of the Mediterranean region will be sunny, although some cloud and showers will be scattered from southern Italy to Crete and Libya. A ridge of high pressure centred over the North Sea will cause warm south-easterly winds to prevail in England and Scotland. Temperatures will be 25C or above in England.

**Five-day forecast**

A south-westerly wind will bring warm air toward France and central Europe. Meanwhile, temperatures will rise to around 35C or higher from Spain to north-eastern France, Germany, and the Alpine countries. The extreme heat will move into central Europe at the beginning of next week. Temperatures in England will rise to around 30C, although scattered thunder showers will develop from western France into England and Scotland.

**TODAY'S TEMPERATURES**

Location	Temp	Location	Temp	Location	Temp	Location	Temp
Abu Dhabi	30	Madrid	28	Paris	24	London	22
Accra	30	Belgrade	28	Rome	26	Amsterdam	20
Algiers	31	Bombay	32	Stockholm	18	Brussels	18
Amsterdam	20	Buenos Aires	28	Sydney	22	Cairo	32
Athens	32	Calcutta	30	Tokyo	28	Cape Town	28
Atlanta	34	Chengdu	28	Wellington	18		
B. Aires	28	Dubai	32	Winnipeg	17		
Bahia	28	Durban	28	Zurich	20		
Bangkok	32	Edinburgh	18				
Barcelona	28						

Station at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

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## INTERNATIONAL COMPANIES AND FINANCE

# German-Italian grouping buys Ilva steels division

By Michael Lindemann in Bonn and Robert Graham in Rome

A German-Italian consortium led by Krupp Hoesch, Germany's second biggest steelmaker, yesterday paid almost £500m (\$874.3m) for Acciai Speciali Terni (Ast), the special steels section of the state-run Ilva group.

The German-Italian consortium, 50 per cent of which is owned by the three Italian steelmakers Riva, Agnelli and Falck, made a better offer than an earlier bid from a Franco-Italian group which had only weeks ago threatened to contest the bid with a court case.

It remained unclear last night whether the rival group - led by Usinor-Saciilor, the French steelmaker, and including Lucchini, Foroni, Snc and Euroacciai - would press ahead with a complaint to the European Commission.

A spokesman for Krupp Hoesch would not reveal details about the German-Italian consortium, but said

that the German company's worldwide distribution network and strong position in the special steel markets left it in an "optimal position to take over Ast".

Special steels have fared much better than other steel products during recent turbulence on world steel markets. New uses in catalytic converters and construction meant the sector was developing better than other areas of the steel business, according to Mr Jürgen Classen, a spokesman for Krupp Hoesch.

With Ast in its portfolio, Krupp Hoesch's share of the European stainless steel market will rise from 27 to 43 per cent.

Had the French consortium won, Usinor's share would have increased from 18 to 33 per cent.

As part of its continuing restructuring, Krupp Hoesch last week broke its steel division into four separate units in order to be able to adapt more quickly to different markets.

The Krupp Hoesch-led consortium entered a bid for Ast only in mid-May, just at the time when Riva, the private Italian group, gave up its interest in Eiko Stahl, the ailing east German steel plant. There has been speculation that Krupp Hoesch persuaded Riva the Ast venture would be more interesting.

The Ast sale is part of a broader restructuring of Italy's state steel interests grouped around Ilva, a process being carried out by Iri, the state holding company. The special steels operations based round Terni are the first to be sold and have been separated from the flat products produced at the loss-making complex in Taranto.

The 50 per cent stake in Ast will become part of a joint venture between Krupp Hoesch and Thyssen, Germany's largest steelmaker, which is due to come into being on October 1. Krupp Hoesch will hold a 60 per cent stake while Thyssen will hold the remainder.

# German bank ahead 'by more than 30%'

By David Waller

Commerzbank's total operating profits climbed by "more than 30 per cent" in the first five months of the year, Mr Martin Kohlhausen, the bank's chairman, said yesterday.

Partial operating profits, which exclude the profits generated from the bank's own-account trading activities, increased by more than 13 per cent, he said.

The comments came only weeks after the bank reported an 11 per cent increase in partial operating profits for January to April this year, serving to emphasise the robustness of the bank's earnings in spite of bad market conditions and poor share price performance, in common with other German bank shares.

Commerzbank's shares, unchanged yesterday at DM324, have dropped nearly 17 per cent since the beginning of the year whilst German bank shares as a whole are down by more than 20 per cent.

Provisions for the year as a whole would be high, Mr Kohlhausen predicted at a press conference in Luxembourg, but would not necessarily be higher than last year when Commerzbank was the only one of the big German banks to reduce total provisions.

The total operating profits are calculated after taking account of provisions for bad and doubtful debts.

Mr Kohlhausen said the result to date included a "good three-digit" contribution from own-account trading - that is, more than DM100m.

Interest income rose by 7.9 per cent in the five months while fee income rose by 5.9 per cent.

The preliminary figures did not as yet include any extraordinary profit from the sale of a stake in the Karstadt retailer or the DBV insurance group, the chairman indicated.

For last year as a whole total operating profits rose by nearly a quarter to DM1.53bn (\$810m).

Automotive and industrial group says turnover rose 10% in first four months

# Fiat confident of return to profits

By Andrew Hill in Turin

Fiat, the Italian automotive and industrial group, should return to profit this year, Mr Gianni Agnelli, chairman, said yesterday.

Fiat recorded the largest loss in its history last year - £1.783bn (\$1.11bn) after tax and minority interests - but Mr Agnelli told shareholders at yesterday's annual meeting that the company's full-year result would "certainly be better than break-even".

At a press conference after the meeting, the chairman indicated that, unless market conditions deteriorated, the board would also consider paying a dividend on ordinary shares this time next year. This year Fiat did not propose an ordinary share dividend, for the first time since 1947.

In the first four months of 1994, Mr Agnelli said Fiat had increased turnover by £1.855bn to £19.815bn - up more than 10 per cent on the same period in 1993. Operating profit for the period was about 1 per cent of sales, after £700m of research and development expenditure, compared with an operating loss in the first four months of last year.



Gianni Agnelli: full-year result 'certainly better than break-even'

For the full year, Mr Agnelli said Fiat was expecting an increase in consolidated sales to more than £62,000m, from £54,556m in 1993, and an improvement in net borrowings, which stood at £5,247m at the end of 1993. Mr Cesare

Romiti, group chief executive, said net debt was £3,700m at the end of May.

Mr Agnelli blamed the effects of the international recession, and in particular the difficult situation in the European automotive sector, for the

poor results last year. "To some extent this had been expected, but no source had predicted the scale of the disaster until well into the year," he told shareholders. "It can only be matched by the collapse in demand after the first oil shock 20 years ago."

He said the overall European car market had begun to recover in 1994, recording a 5 per cent increase in sales during the first five months. But in Italy, car sales declined by 4 per cent against the equivalent period last year, adding to the 20 per cent drop in 1993.

Mr Agnelli pointed out that in France, Spain and Denmark - where the governments have taken measures to improve demand - car sales had increased substantially in the first five months of 1994. However, Mr Agnelli denied that Fiat had lobbied the new Italian government for incentives. The group said yesterday that by the end of May it had received 430,000 orders for the Punto, its new small car, and delivered 225,000 vehicles.

Separately, Mr Agnelli said negotiations between Fiat and Renault of France, about pooling their financial resources around the world, had ended.

# Consortium may place bid for NCP

By Norma Cohen, Simon Davies and Paul Taylor in London

A consortium of venture capital investors, led by UK insurance group Prudential, is understood to be behind one firm bid for National Parking Corporation, the UK group which owns National Car Parks and the fast-growing Breakdown Recovery service.

It is believed that the consortium includes Electra, the unquoted companies investment trust, CinVen, the venture capital arm of British Coal's in-house funds manager, and Morgan Grenfell Development Capital, the venture capital arm of NCP's financial adviser, Morgan Grenfell.

The shares rose to 576p yesterday in over-the-counter trading, valuing the private company at \$678m, as investors reacted to news of a bid approach.

# BPB ahead at £107m as price war ends

By Andrew Taylor, Correspondent

Pre-tax profits at BPB Industries, Europe's largest plasterboard manufacturer, rose 17 per cent to £107m (\$172.5m) during the year to March as the company continued to recover following the end of a "destructive price war".

The profits increase announced yesterday was higher than expected and BPB's shares rose 4 1/2 per cent to 302p. The price war, which finished in 1992, was waged between the UK group, which controls about 80 per cent of the west European market, and Lafarge Coppée of France and Knauf of Germany, which split the remainder roughly equally.

BPB said the price of plasterboard in Germany, France and the UK had risen by about a quarter since March 1992 but was still about 25 per cent lower than in 1990.

Mr Alan Turner, chairman, said that prices might rise a further 2 or 3 per cent this year, but future growth was more likely to be generated by increased sales rather than price increases.

He said the three manufacturers had finally seen common sense and ended a price war estimated to have cost the industry £200m in lost revenue since 1989.

Prospects now looked bright with European construction activity forecast to recover over the next two years.

BPB's rise in pre-tax profits was achieved in spite of a £3.5m increase in redundancy and reorganisation costs to £15.3m. Earnings per share rose by 85 per cent to 16p, compared with 8.1p.

Turnover increased 2.3 per cent from £1.12bn to £1.15bn. A 10 per cent rise in the final dividend to 5.5p (4.5p) made a total of 8.1p for the year. *Lex, Page 30*

# Restructuring pays off as IRI sees sharp reduction in losses

By Robert Graham in Rome

IRI, the Italian state holding company, yesterday forecast a large reduction in losses during 1994, from £1.360bn (\$864m) from more than £1.020bn.

The improved performance was predicted by Mr Romano Prodi, the outgoing chairman who resigned a month ago.

It reflects the broad restructuring led by Mr Prodi during the past year, and includes revenue from privatisation. The main losses, totalling £4,688bn, were blamed on restructuring at the Ilva steel group and at Italcementi, the civil engineering and construction subsidiary.

The IRI annual meeting also confirmed the holding's total debt had reached £79,783bn, equivalent to almost 5 per cent of Italy's GDP.

The much-expected announcement of a replacement for Mr Prodi failed to materialise yesterday, indicating continuing problems within the Berlusconi government on the nomination.

A compromise being discussed is that Mr Enrico Micheli, the current managing director, take over in the role of chief executive. Mr Ferruzzi Finanziaria, the Italian food and chemicals group, said operating profits in the first five months of 1994 were 46.5 per cent higher than during the same period last year, AP-DJ reports from Rome.

The company said at its annual shareholders meeting that gross operating margins were 6.8 per cent in the first five months of 1994, compared to margins of 5 per cent last time.

It said it expected to cut its losses to £1.000bn by the end of 1994, compared with £1.950bn in 1993. The reduction will come from restructuring of the debts, capital increases and sales of assets.

Ferruzzi also said gross operating profits for the first two months of 1994 were £447m, up 36 per cent from the year-ago period.

The restructuring plan has provided total estimated benefits of £800bn so far, of which £285bn accrues to Montedison, the chemicals group, according to the company.

# Danisco lifts payout after 25% advance

By Hilary Barnes in Copenhagen

Danisco, the Danish food, beverages, and packaging conglomerate, has proposed an increase in the dividend, to DKr14 from DKr12 per share, after a 25 per cent rise in net financial items, to DKr1.03m (\$166m) from DKr828m.

Sales in the year to the end of March were down slightly to DKr12.84bn from DKr13.02bn, reflecting the disposal of manufacturing company Niro Atomizer.

Sales by other units rose 16 per cent. Two-thirds of the increase came from Swedish sugar producer Sockertöbäck, which only featured in the accounts for part of the previous year. Net profits were DKr650m against DKr500m.

NEW ISSUE

This announcement appears as a matter of record only.

June 1994



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**Cazenove & Co.**  
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## INTERNATIONAL COMPANIES AND FINANCE

# BCH recruits chief from rival Spanish bank

By Tom Burns in Madrid

Central Hispano, the Spanish bank suffering from weak profits, has hired Mr Angel Corcostegui, a former top executive at rival Bilbao Vizcaya (BBV), as chief executive.

Corcostegui was a BBV board member and the managing director of its capital markets and international banking division. His move represents an unprecedented upheaval in the top echelons of Spanish banking.

Banco Central said the move had a "spirit of collaboration" between the two institutions.

Earlier this year chairman Mr Maria Amusategui pruned the Banco Central board from 39 to 28 members and disclosed that he was seeking a new chief executive.

The decision to bring in an outsider has avoided a choice between senior executives of Central and Hispanoamericano, the two insti-

tutions which merged in 1991 to create Banco Central Hispano.

Analysts in Madrid said that Mr Corcostegui had recently been under pressure at BBV as the large government debt positions built up this year could have a potentially negative implication on the bank's results.

As Banco Central chief executive, Mr Corcostegui faces the challenge of increasing earnings from the bank's extensive retail network and of overseeing a strategy to pare its industrial portfolio.

First-quarter results were disappointing, with an 11.8 per cent fall in attributable net profit. Banco Central expects to post flat profits this year.

In recent months Banco Central's image has been severely dented by international rating agencies, which have lowered their ratings on the short-term commercial paper and long-term debt.

Credit agencies have cited concern over the bank's quality and weak core profits.

## Second Chinese group plans to list on ASX

By Nikki Tait in Sydney

A second Chinese company is to list on the Australian Stock Exchange next month, furthering the exchange's plan to have an "Asian board" operating in about a year.

The new company is Canada Land, a Hong Kong-incorporated group which is developing property in Guangzhou. It is expected to raise shares at A\$0.35 each, and says that

money raised will provide additional working capital.

It has four development projects - comprising a mixture of residential and commercial properties - under way in the southern Chinese city. Completion dates range from 1995 to 2000 for the final phases of the FungCum Metro Station West.

One of the projects is being developed by joint venture companies involving the Chinese government.

# Canada dials up long-distance network war

Deregulation is shaking up the telecoms market and squeezing local services, writes Bernard Simon

A seemingly insignificant change in the way Canadians make long-distance calls, which takes effect today, could prove to be the key which unlocks the country's entire telephone network to competition.

Since regulators cleared the way in 1992 for competition in the long-distance market, the telephone user seeking an alternative to Stentor, the firmly-entrenched consortium of local phone companies, has had to dial an access code of up to 17 digits.

Stentor's rivals have blamed this finger-numbing exercise for the consortium's continued domination of the long-distance market, where it still enjoys a 92 per cent share.

From today, however, the local companies must give their competitors equal access to the long-distance network. Whichever service subscribers choose to use, they will simply dial the prefix "1" for a long-distance call.

The change has been accompanied by a blitz of advertising and a bewildering variety of cut-price offers, reflecting the newcomers' desire that equal access is their opportunity for a breakthrough.

Today's changes mean that at least in the consumer level, the playing field is somewhat more level.

Mr George Harvey, chief executive of Unitel, the Stentor's new rivals, which is 20 per cent owned by the AT&T of the US. Unitel predicts its share of the long-distance market will climb over the next two to three years, from between 4 and 5 per cent to 15 per cent.

Bell Canada, the biggest Stentor partner, which provides local services in Ontario and Quebec, acknowledges it could lose at least 20 per cent of its market share by the end of this year.

However, many of the new arrivals are not expected to survive a ferocious price war. There have already been some acquisitions and mergers among the dozens of resellers which have lines in bulk from the telephone companies and then offer cut-rate services to subscribers.

Stentor and its members have responded far more vigorously to the threat of competition than AT&T did when it was hampered in the US by a decade ago.

Bell Canada has not only cut its basic long-distance rates by 30 per cent since 1987, but also offered a range of special deals to frequent users. Business customers can get discounts of up to 60 per cent. The phone companies also have the advantage of being able to track every customer's calling patterns.

The long-distance price war is bound to have ripple effects in the local market. Stentor's members have traditionally made the rich pickings from their long-distance monopoly to subsidise local services.



Dialling "1" for long-distance options: most consumers are set to gain from deregulation

A Toronto household pays a telephone service fee of only \$1.00 a month. All local calls are free. The Canadian Radio-television and Telecommunications Commission (CRTC), which regulates telephone services, rejected an application by Bell Canada last year to raise basic-service rates.

Long-distance services generated last year, Bell estimates, that 15 cents a minute of its revenue, or a total of C\$1.7bn

in 1993, is channelled into local services. The cross-subsidy in the US is only about 3 cents.

The telecoms have managed to boost local revenues by selling a plethora of high-margin optional features, ranging from phones which display the origin of an incoming call, to beepers which alert a caller to another call on the line.

This situation is unlikely, however, to compensate for the diminishing cross-subsidy from long-distance services.

"There is a pressing need to move towards local services which more closely reflect their underlying costs," says Mr Richard French, Bell's

vice-president for corporate development. "The long-distance market can no longer sustain the levels of contribution required to support basic service."

This argument is reinforced by growing competition from wireless phone services, as well as the impending entry of cable-TV companies into the local phone business.

It is the local operators who have the potential to transform the telephone companies. Cable service is already available to 95 per cent of Canadian homes, the highest penetration in the world. Holding prices for local services at a level which is a disincentive for cable companies to enter the local market.

Bell will introduce an important local-service reform in 1995 by shifting business subscribers from a flat rate to volume-based pricing. It maintains that four-fifths of its customers will see either no change or a reduction in their phone bills. For the remaining 10 per cent of high-volume users, however, charges will rise.

Stentor's long-distance rivals will not be the only ones on local-service pricing. They currently pay a fee, set by the CRTC, for connections from the local networks.

The phone companies earlier this year asked the CRTC to allow them to "unbundle" the components required for equal access, with a separate charge applied to each one.

The aim is clearly to make competitors pay more for the use of their facilities. Unitel, however, questions the methods, and is equally hopeful the CRTC will reject a reduction in rates.

The commission is expected to rule on the request this autumn, shortly after it releases a separate report on the regulatory framework for the telecommunications industry. Whatever the CRTC's conclusions, nobody doubts today's change in long-distance dialling is merely part of a shake-up in Canada's entire telephone system over the next few years.

## South Australia launches A\$3.1bn claim against KPMG

By Bruce Jacques in Adelaide

The South Australian government has launched a claim seeking A\$3.1bn (US\$2.3bn) from accountants KPMG Peat Marwick. The claim relates to the financial troubles of the State Bank of South Australia in 1991. KPMG Peat Marwick acted as auditor of the bank in 1991, before the

South Australian government was forced to mount a rescue operation ultimately costing more than A\$3.15bn.

The claim, one of the largest of its type in Australia, was lodged yesterday in the Supreme Court of South Australia. It follows a A\$1.1bn claim against KPMG Peat Marwick, this year from the Victorian govern-

ment over the collapse of the Tricontinental finance group in 1990. That action was settled out of court for A\$136m.

CRA, the mining company, yesterday issued a statement claiming that an offshoot of mining rival, Remson Goldfields Consolidated, infringed a patent held by CRA subsidiary, Wimmera Industrial Minerals.

North Broken Hill has announced a deal potentially worth A\$100m to assume control of the Yallam nickel project in Western Australia. The project, with an estimated development cost of A\$100m, is an important diversification into nickel by the group.

CSR, the building products and sugar group, says it has been dismissed from a number of asbestos-related liability suits in Louisiana. This follows acceptance by the plaintiffs' lawyers that there was no evidence that products containing asbestos supplied by CSR were sold to the shipyard where the plaintiffs worked. CSR remains a defendant in a number of other asbestos-related cases in the US, notably in Mississippi.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS OF FOURTH PREFERENCE SHARES IN ADT LIMITED. WHEN CONSIDERING WHAT ACTION TO TAKE, HOLDERS OF IDS ARE RECOMMENDED TO SEEK ADVICE FROM AN INDEPENDENT FINANCIAL ADVISER.

**Notice to the holders of 6 per cent. Convertible Cumulative Redeemable Preference Shares 2002 of U.S. \$1 each in ADT Limited (the "Company")**

**Reminder of Redemption Rights**

NOTICE IS HEREBY GIVEN to the holders of the 6 per cent. Convertible Cumulative Redeemable Preference Shares 2002 of U.S. \$1 each in the Company ("Fourth Preference Shares") to remind them that a holder of Fourth Preference Shares has the option to require redemption of such shares on 3rd October, 1994 (the "Redemption Date") in accordance with the By-Laws of the Company. This notice is given under paragraph (5)(iv)(a) of the schedule to the By-Laws.

In accordance with the By-Laws, the price at which each Fourth Preference Share may be redeemed is U.S. \$1,83.75, being 138.75 per cent of the aggregate of the capital and premium paid up on the issue of the Fourth Preference Shares (the "Issue Amount"). Holders of Fourth Preference Shares will also receive a sum equal to any arrears or accruals of the fixed dividend on their Fourth Preference Shares which are redeemed, calculated down to and including the Redemption Date.

To exercise an option to redeem a Fourth Preference Share, the holder must deposit the certificate for the share in the offices of the Company's registered office (whose name and address appear below) not less than 45 nor more than 60 days prior to the Redemption Date, together with a duly completed notice in the specified form requiring such redemption. Copies of the specified form of notice of redemption may be obtained from the Company's registered office.

Accordingly, the period during which certificates and notices of redemption in respect of Fourth Preference Shares should be deposited will commence on 4th August, 1994 and end on 19th August, 1994 (Bermuda time). Once deposited, a certificate may not be withdrawn without the prior consent of the Company. If any certificate or notice of redemption is deposited outside that period it will not be treated as a valid exercise of the option to redeem the relevant Fourth Preference Share.

If any Fourth Preference Share is not redeemed on the Redemption Date it will fall to be redeemed at the Issue Amount (being U.S. \$1,000) on 3rd October, 2002 (or earlier at the option of the Company or its successors) as set out in the By-Laws, together with a sum equal to any arrears or accruals of the fixed dividend on that share.

BY ORDER OF THE BOARD  
J.D. Campbell  
Secretary

Registered Office:  
Cedar House, 41 Cedar Hill, Hamilton HM 12, Bermuda

Registars: The Bank of Butterfield Executors Trustee Company Limited, at Rosebank Centre, 14 Bermuda Road, Pembroke, Bermuda HM 10, or by post to P.O. Box HM 1540, Hamilton HM 10, Bermuda.

1st July, 1994

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS OF IDS FOR FOURTH PREFERENCE SHARES IN ADT LIMITED. WHEN CONSIDERING WHAT ACTION TO TAKE, HOLDERS OF IDS ARE RECOMMENDED TO SEEK ADVICE FROM AN INDEPENDENT FINANCIAL ADVISER.

**Notice to the holders of International Depositary Receipts ("IDRs") for 6 per cent. Convertible Cumulative Redeemable Preference Shares 2002 of U.S. \$1 each in ADT Limited (the "Company")**

NOTICE IS HEREBY GIVEN to the holders of IDRs for the 6 per cent. Convertible Cumulative Redeemable Preference Shares 2002 of U.S. \$1 each in the Company ("Fourth Preference Shares") that they may be redeemed, at the option of the holder, on 3rd October, 1994 (the "Redemption Date") in accordance with the By-Laws of the Company. This notice is given under condition 12 of the IDRs. The attention of holders of IDRs is drawn to the notice from the Company set out opposite concerning the terms of, and procedure for, redemption of the Fourth Preference Shares on the Redemption Date, in particular the price at which each Fourth Preference Share will be redeemed.

Any holder of an IDR may request Banque Indosuez Luxembourg (the "Depository") to give notice to the Company to require redemption of the Fourth Preference Shares evidenced by his IDR. In accordance with clause 14(b) of the deposit agreement dated September 12, 1987 between the Company and the Depository (the "Deposit Agreement"), any holder of an IDR who wishes to elect for redemption on the Redemption Date should surrender his IDR together with a duly executed payment order at the offices of the Depository or Credit Suisse (the "Agent") specified below, at any time on or after the date of this notice and before the close of business on 19th August, 1994. Each IDR surrendered for redemption must have attached all unattached coupons. Forms of payment order are available on request from the Depository and the Agent at their addresses set out below. IDRs and unattached coupons delivered to the Depository or the Agent will be cancelled. Subject to all applicable laws and regulations and to condition 6 of the IDRs, payment of sums due on redemption will be made in accordance with the instructions contained in the directions delivered to the Depository or the Agent.

If a holder of an IDR fails by the close of business on 19th August, 1994 to make an effective election for redemption in accordance with the instructions in this notice, the Company will not redeem its Fourth Preference Shares relative to his IDR on the Redemption Date. In order to enable payments to be made in an orderly manner, the Depository is suspending the withdrawal of Deposited Property (as defined in the Deposit Agreement) from the date of this notice up to, and including, the Redemption Date, under condition 3 of the IDRs. The attention of holders of IDRs is drawn to the Deposit Agreement and the conditions embodied in the IDRs which contain further details about redemption and payments.

Depository: Banque Indosuez Luxembourg  
Agent: Credit Suisse  
Paradeplatz 5  
CH-8001 Zurich  
Switzerland

1st July, 1994

## End of Month S.G. Warburg Warrant Valuations

as at 30th June, 1994

Single Stocks	TYPE	CURRENCY	SPOT	STRIKE	PRICE	EXPIRY
BHP	Call	AUD	17.97	19.50	1.25	29th Jun 95
Bernier	Call	CHF	1185	1250	16.55	17th Jun 96
Danzas	Call	CHF	1631	1600	40.25	1st Aug 96
China Light & Power	Call	HKD	39.30	41.00	1.00	2nd Jan 96
East Hong Bank	Call	HKD	22.10	32.00	0.375	15th Jan 96
Hong Kong Telecom	Call	HKD	23.30	29.20	0.435	6th Feb 96
Hong Kong Telecom	Call	HKD	14.60	15.60	0.36	24th Nov 95
Hutchison Whampoa	Call	HKD	31.80	34.00	0.775	21st Dec 95
Hysan Development	Call	HKD	20.80	17.00	5.80	6th Sep 95
Sun Hung Kai Properties	Call	HKD	44.50	50.00	1.16	2nd Jan 96
Metallgesellschaft	Call	DM	201	250	6.02	31st Oct 95
Philips Electronics	Call	NLG	51.50	54.18	6.47	8th Sep 95
Saipem	Capped Call	ITL	4008	4246	456	30th Mar 95
Sip	Call	ITL	8911	8811	880.50	14th Jan 96
Sip	Call	ITL	4878	4725	964.50	14th Sep 95
Baskets						
European Airlines 1	Call	£	431	431	12.10	3rd Feb 95
European Airlines 2	Call	£	431	468.91	6.46	9th Mar 96
European Multi-Media 1	Call	£	2032	2028.57	1.95	28th Sep 95
European Multi-Media 2	Call	£	2032	2475	0.98	28th Sep 95
European Multi-Media 3	Call	DM	3640	3640	114.50	12th Jan 95
UK Banks	Call	£	91	114.75	0.195	1st Jun 95
UK Food Retailers	Call	£	99.23	106.25	1.135	9th Nov 95
UK Pharmaceuticals 1	Call	£	89	87.50	0.295	26th Jan 95
UK Pharmaceuticals 2	Call	£	89	87.50	1.195	20th Nov 95
UK Support Services	Call	£	79.20	107.50	0.135	2nd Aug 95
UK Water Companies	Call	£	83	104.75	0.115	5th May 95
Italian Industrials 1	Call	ITL	20889	19665	483	31st Aug 95
Italian Industrials 2	Call	ITL	20889	24549	171.50	31st Aug 95
Italian Recommendation	Call	ITL	376875	376875	431	13th Oct 95
Swedish Capital Goods	Call	SEK	101550	112054	14.20	20th Oct 95
Asian Oil Sector	Call	USD	0.99	1.00	0.225	23rd Jun 95
Indo-China	Call	USD	0.01	1.00	0.11	8th Dec 95
Taipei Property	Call	NTD	998	800	431.50	2nd Jun 95
Taiwanese Blue Chip	Call	NTD	1000	1000	260.50	30th Mar 95
Indices						
FTSE Mid-250 Index	Call	£	3414	2900	5.66	17th Mar 95
FTSE Mid-250 Index	Call	£	3414	3470	1.87	17th Mar 95
FTSE Mid-250 Index	Call	£	3414	3670	1.08	17th Mar 95
FTSE Mid-250 Index	Call	£	3414	3900	0.53	17th Mar 95
FTSE Mid-250 Index	Call	£	3414	3945	1.48	17th Jan 95
FTSE Mid-250 Index	Put	£	3414	2900	0.05	17th Mar 95
FTSE Mid-250 Index	Put	£	3414	3470	2.85	17th Mar 95
FTSE Mid-250 Index	Put	£	3414	3270	1.88	17th Mar 95
FTSE Mid-250 Index	Put	£	3414	3900	5.67	17th Mar 95
South Africa						
JSE Overall Index	Call	Rand	5518	51166	15.74	15th Mar 95
JSE Overall Index	Call	Rand	5518	51345	9.98	15th Mar 95
JSE Overall Index	Put	Rand	5518	51166	19.23	15th Mar 95
JSE Industrial Index	Call	Rand	5111	51364	20.72	15th Mar 95
JSE Industrial Index	Call	Rand	5111	51569	14.24	15th Mar 95
JSE Industrial Index	Put	Rand	5111	51364	24.62	15th Mar 95
Relative Performance						
Volvo/OMX	Call	SEK	+32.20%	-10%	433.60	23rd Feb 95
Volvo/OMX	Call	SEK	+32.20%	+0%	354.80	23rd Feb 95
Volvo/OMX	Call	SEK	+32.20%	+10%	283.90	23rd Feb 95

## S.G. Warburg

S.G. Warburg Global  
Equity Derivatives

FOR INFORMATION CONTACT JUSTIN CHITTENDEN ON 071-880 0517 REUTERS PAGE: WARA

**C.A. La Electricidad de Caracas, SAICA-SACA**  
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U.S. \$15,000,000  
Floating Rate Bonds due 1997  
Series A-2  
U.S. \$25,000,000  
Floating Rate Bonds due 1998  
Series B-1  
U.S. \$15,000,000  
Floating Rate Bonds due 1994  
Series B-2  
U.S. \$15,000,000  
Floating Rate Bonds due 1995  
Series B-3

In accordance with the provisions of the Bonds, the Bonds are to be redeemed on the Redemption Date (which shall be the date of the Redemption Date) at the Issue Amount (being U.S. \$1,000) plus a sum equal to any arrears or accruals of the fixed dividend on that share.

By: The Citicorp National Bank, N.A.  
Agent Bank  
July 1, 1994

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**C.A. La Electricidad de Caracas, SAICA-SACA**  
U.S. \$500,000,000  
Collateralized Floating Rate Bonds due 2005  
Series A-1  
U.S. \$15,000,000  
Floating Rate Bonds due 1997  
Series A-2  
U.S. \$25,000,000  
Floating Rate Bonds due 1998  
Series B-1  
U.S. \$15,000,000  
Floating Rate Bonds due 1994  
Series B-2  
U.S. \$15,000,000  
Floating Rate Bonds due 1995  
Series B-3

In accordance with the provisions of the Bonds, the Bonds are to be redeemed on the Redemption Date (which shall be the date of the Redemption Date) at the Issue Amount (being U.S. \$1,000) plus a sum equal to any arrears or accruals of the fixed dividend on that share.

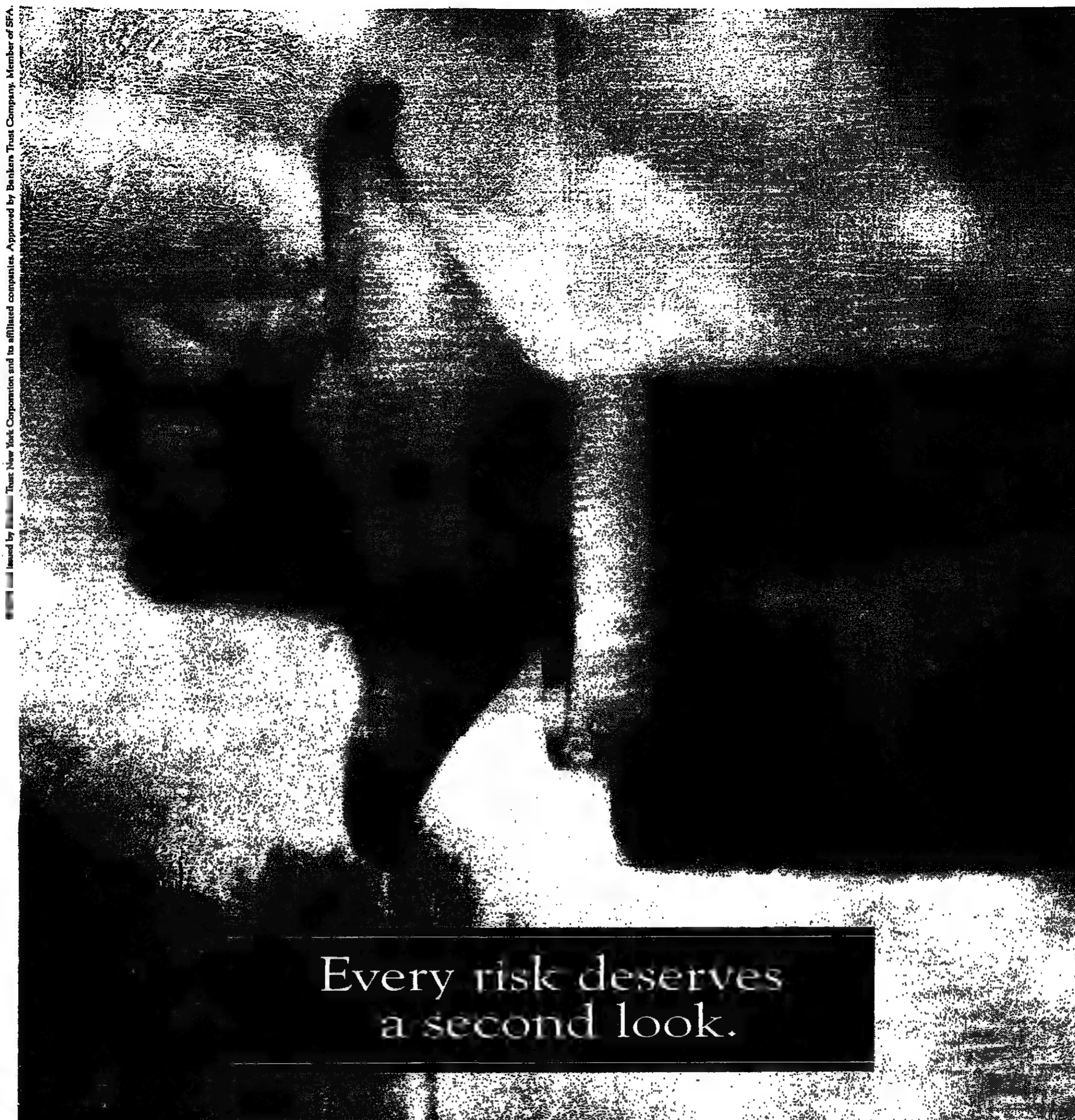
By: The Citicorp National Bank, N.A.  
Agent Bank  
July 1, 1994

**RPS Residential Property Securities No.3 PLC**  
£95,000,000 £150,000,000  
Class A1 Notes Class A2 Notes Class B Notes  
Mortgage Backed Floating Rate Notes due 2025

In accordance with the provisions of the Notes, notice is hereby given that for the three month period from 1st June 1994 to 30th September 1994, the Class A1 Notes, Class A2 Notes and Class B Notes will carry an interest rate of 5.54438%, 5.45438% and 6.45438% per annum respectively. The interest payable per £100,000 Note will be £6.16 for the Class A1 Notes, £1.374 for the Class A2 Notes and £1.63442 for the Class B Notes.

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But financially, the acquisition could burn you. A tumble in the stock market where your acquisition's shares trade could turn your shiny new asset into a stinging liability.

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European pharmaceutical giant will. For them, we have devised a complex long-range structure which will wash price risk right out of the Asian stock market involved.

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## INTERNATIONAL CAPITAL MARKETS

## Inflation fears drive long-dated Treasuries lower

By Frank McGurk in New York and Graham Bowley in London

Longer-dated Treasury bonds moved sharply lower yesterday morning after a regional inflation survey heightened inflation fears and the dollar weakened further against the yen.

By midday, the benchmark 30-year government bond was down 1/8 at 84 1/2, with the yield rising to 7.591 per cent. At the short end, the two-year note was off 1/8 at 90 1/2, to yield 6.152 per cent.

The market was forced to digest a batch of fresh economic news on a day when activity was expected to remain lacklustre. It was the last trading session of the second quarter, and many traders will leave their desks early today ahead of the long Independence Day weekend.

Traders were also waiting to see if next week's meeting of

the Federal Reserve's policy-making arm would result in the year's fifth increase in short-term interest rates.

The economic data did not go down easy. The Purchasing Management Association of Chicago said its June index of prices paid by manufacturers was well up at 68.7 per cent, against 66.6 per cent the previous month.

The jump, combined with an moderate gain in the employment index, stirred the market's ever-present fear of inflation. The Chicago survey often provides a preview of the national purchasing manager report, due out today.

In another indication that the economy was continuing to accelerate, the Commerce Department said new factory orders in May had climbed 0.6 per cent, their third consecutive monthly increase.

The dollar remained mostly in the background. Though it was still trading near its 30-year low against the yen, trade income strategists at Merrill Lynch.

Gains made early in the day due to technical short-covering and the strength in US Treasuries on Wednesday were soon lost as markets headed lower.

UK government bonds dropped sharply through key psychological levels, dragged down by fears of rising inflation and by the lack of enthusiasm for the Bank of England's offer of 2500m worth of tranches of conventional gilts.

Encouraged by the success of its auction of floating-rate gilts on Wednesday, the Bank thought this was a good time to tap the market further, and in particular to tap the long-

dated market, said Mr Sanjay Joshi, chief economist at Daiwa Europe.

But although one tranche - a £150m tap offer of 7 per cent gilt Treasury stock due 2001 - was quickly exhausted, there was less enthusiasm for other tranches.

Inflation fears were triggered by the UK purchasing managers' index for June, which showed a sharp rise in manufacturing activity and strong price pressures.

The September long gilt future on Life was down 2 1/2 at 99 1/2 in late trading.

Italian government bonds, particularly heavily by the renewed pessimism in Europe, suffered further from weakness in the lire and concern about the size of the budget deficit.

Investors were unmoved by a warning from the Organiza-

tion for Economic Co-operation and Development that decisive action to limit the budget deficit should not be delayed and by a rise in the minimum rate at the Bank of Italy's repurchase tender to 8 per cent from 7.5 per cent.

The Italian September BTP futures contract on Life was down 2 1/2 points at 102.70 in late trading.

A cut of 10 basis points in the Bank of France's intervention rate to 6.1 per cent failed to halt the decline in French government bonds.

The September national French futures contract on Maff closed at 115.24, down 1.24 points on the day.

German government bonds also fell. The German September government bond contract on Life was down 1.08 points at 91.61 in late trading.

## Italy plans \$4bn global floating-rate note offering

By Tracy Corrigan

Italy yesterday announced that it planned to launch an ambitious \$4bn global offering of multi-currency floating-rate notes, an unusual structure designed to capitalise on broad demand for floating-rate paper in the current bear market.

The notes will all have a maturity of five years, and will pay the same margin over the London interbank offered rate, though they may not have the same issue price, according to global co-ordinator Merrill Lynch.

This is designed to allow investors to switch between different tranches. The size of the tranches will be set according to demand.

The pricing of the tranches has not yet been decided, but dealers said yesterday that a discounted margin of around 10 basis points over Libor is likely, the same as for Por-

gal's D-Mark offering earlier this week, according to traders. The Italy transaction is expected to be launched in mid-July.

While the unusual structure - it is the first global multi-currency floating-rate note - is a novel structure, it is not a new one. The initial response suggested that demand for the yen tranche will be the strongest, due to lack of supply in that sector. "I think the problem with the yen tranche will be one of rationing rather than selling," said one underwriter involved in the transaction.

The yen FEN market is currently underdeveloped, but the Japanese domestic market for floating rate instruments has recently been deregulated, encouraging a number of issues. However, liquid yen-denominated FRNs are still a very rare animal in Tokyo and London, one dealer said.

However, some dealers said that both the dollar and D-Mark FEN sectors appear to be afflicted by oversupply.

In the fixed-rate dollar market, General Electric Capital Corp. launched its second recent retail-targeted offering, a \$150m three-year deal arranged by BZW. The deal was priced to yield 10 basis points over the comparable US Treasury.

In the sterling market, Graceland Mortgage Finance launched a \$300m issue of securities backed by Barclays mortgages on residential properties in England, the bank's third

mortgage securitisation. The notes are priced to offer a discounted margin of 23 basis points over Libor, assuming an expected average life of 3.8 years. The pricing reflects the tightening of margins on the mortgage-backed paper in the sterling sector this year, according to lead manager BZW.

The second securitisation of residential mortgages in France, a FF220m offering for Titrimmo 06-94, backed by Crédit Lyonnais mortgages, has been completed. The deal was guaranteed by MBIA Assurance.

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## WORLD BOND PRICES

## BENCHMARK GOVERNMENT BONDS

	Coupon	Yield	Price	Day's change	Week	Month
Australia	8.000	8.004	95.800	+0.070	8.84	8.80
Belgium	7.250	7.250	95.400	-0.050	7.94	7.87
Canada	8.000	8.000	92.000	-0.050	8.74	8.68
Denmark	7.000	7.000	100.000	-0.050	8.57	8.16
France	8.000	8.000	104.000	-0.050	8.74	8.16
Germany	8.000	8.000	95.800	-0.050	7.94	7.87
Italy	8.000	8.000	95.800	-0.050	7.94	7.87
Japan	4.000	4.000	105.100	-0.050	8.57	8.16
Netherlands	4.100	4.100	98.900	-0.070	8.57	8.16
Spain	7.750	7.750	90.800	-0.070	7.94	7.87
UK Gilt	8.000	8.000	95.800	-0.050	7.94	7.87
US Treasury	8.000	8.000	95.800	-0.050	7.94	7.87

London closing. Yield shown in % per annum. Prices in US dollars. US dollar market closed. Prices in US dollars. US dollar market closed.

## US INTEREST RATES

	Rate	Yield	Price	Day's change	Week	Month
1-month	7.00	7.00	95.80	-0.05	8.84	8.80
3-month	7.00	7.00	95.80	-0.05	8.84	8.80
6-month	7.00	7.00	95.80	-0.05	8.84	8.80
1-year	7.00	7.00	95.80	-0.05	8.84	8.80
2-year	7.00	7.00	95.80	-0.05	8.84	8.80
3-year	7.00	7.00	95.80	-0.05	8.84	8.80
5-year	7.00	7.00	95.80	-0.05	8.84	8.80
10-year	7.00	7.00	95.80	-0.05	8.84	8.80
30-year	7.00	7.00	95.80	-0.05	8.84	8.80

## BOND FUTURES AND OPTIONS

France

NOTIONAL FRENCH BOND FUTURES (MATP)

NOTIONAL FRENCH BOND FUTURES (MATP)

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## S&amp;P Ratings set to reflect derivatives

By Tracy Corrigan

Standard & Poor's, the US credit rating agency, plans to introduce a new type of rating designed to alert investors to the risks, other than credit risk, involved in structured products such as those with embedded derivatives.

"During the 1980s, the most significant risk was credit risk; during the 1990s it is still important, but it is becoming overshadowed by the repayment risk from derivatives embedded in bond issues," said Mr Leo O'Neill, S&P's president. "To continue just to apply credit ratings would not be alerting investors to other risks," he added.

In the first phase, S&P will add an "r" to existing bond ratings - for example, a bond could be rated AAA, instead of AAA.

At a later stage, the agency plans to attempt to quantify the nature of that risk by indicating a high, medium or low level of risk.

Securities which would be likely to merit an "r" rating include interest-only and principal-only mortgage securities, because of the risk of prepayment; structured notes derived from swaps which could terminate at any time; and notes with

redemption linked to an index which could go up or down.

"If these ratings stimulate greater discussion between investors and their advisers, we will have done our job," said Mr Hendrik Kraus, S&P's managing director of S&P.

S&P is setting up a comprehensive database of all outstanding securities. The new service is expected to be launched later this month.

The move reflects growing concern over the new risks created by the rapid expansion of the derivatives market, and is one of a number of efforts to take account of the resulting changes in the international financial markets.

In May, Moody's rating agency started assigning specific ratings to institutions, based on their creditworthiness as counterparties in the derivatives market.

Those ratings are designed to provide "a more accurate system for derivatives claims ratings" which apply specifically to the financial capacity of individual obligors to meet their contracts, said Mr John Kirt, managing director of Moody's.

Mr Kirt warned that bond and deposit ratings may not accurately reflect an obligor's creditworthiness from a derivatives claim perspective.

## World Bank arm in Russia link

The International Finance Corporation, the private-sector arm of the World Bank, has arranged a risk management facility with Tobank, a privately-owned Russian bank based in Moscow, which will give the commercial bank access to the long-term international swaps market, writes Tracy Corrigan.

It is the first such facility in

Russia, though the IFC has completed similar arrangements in other emerging markets. The facility will allow Tobank to hedge currency and interest rate risks in its portfolio and to offer risk-hedging products to its own clients. Tobank will be able to enter swap transactions worth \$50m with maturities up to seven years.

## FT-ACTUARIES FIXED INTEREST INDICES

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## FT-EDGED ACTIVITY INDICES

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**Since YPF's privatization on June 29, 1993, these three letters have become our name and identify us as the oldest fully integrated oil company in Latin America with 72 years of experience in the oil business.**

■ YPF's initial public offering at over 3 billion dollars in cash, was the largest privatization placement and the largest cash IPO in the history of the New York Stock Exchange.

■ Since its original placement on the NYSE, YPF's shares have been the most actively traded in volume of all quoted oil companies.

Opening at \$ 19 in June of 1993, quotes have ranged during 1994 between \$ 22 1/4 and \$ 29.

■ YPF as a company is thoroughly competitive internationally in:

- Hydrocarbon reserves discovery costs (finding cost).
- Development of discovered reserves costs.
- Production costs.

■ We have also achieved one of the highest international indexes of replacement reserves.

■ Our production of 220,000 barrels per day in 1991, is to be increased to 450,000 in 1995.

■ YPF will invest \$ 3,5 billion in exploration over the next ten years, starting in 1995.

■ Also in the same period, \$ 10 billion will be invested

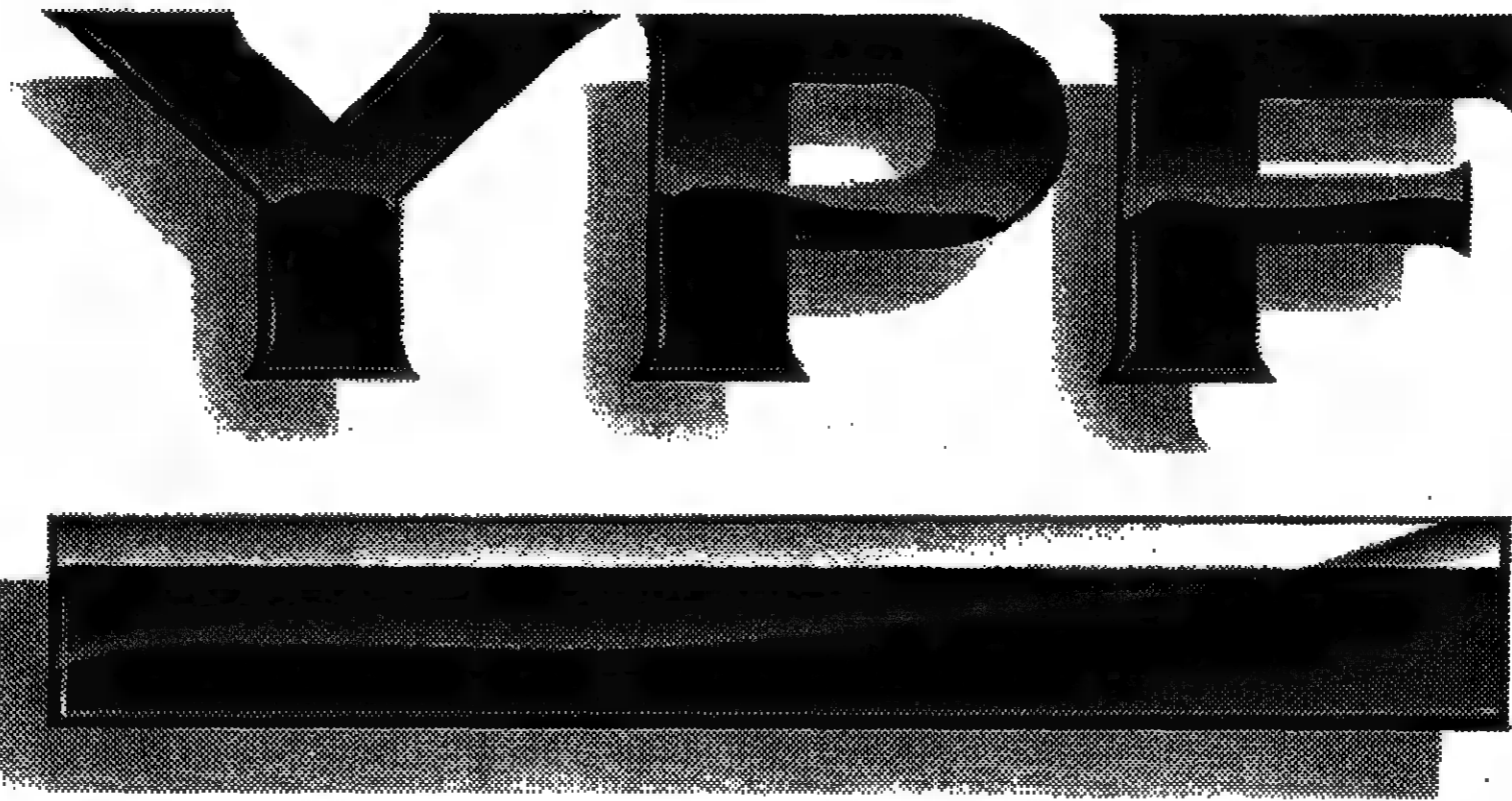
(NYSE); London (SEAQ); and Sao Paulo, Brazil. In 1995 YPF expects to be quoted on the Mexico, Santiago de Chile and Tokyo stock exchanges.

■ At present YPF is developing exploration, marketing and distribution programmes in neighbouring countries (Bolivia, Chile, Paraguay, Peru and Uruguay).

■ In the United States, YPF is about to sign a contract with Petrobras of Brazil to explore several geological prospects in the Gulf of Mexico.

■ We are the largest company in Argentina and considering oil and gas reserves the 11<sup>th</sup> largest quoting on the NYSE.

■ YPF is a truly open capital company quoting internationally and, after privatization, the 150,000 stockholders are its true owners.



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## COMPANY NEWS: UK

## Asda shows resilience despite write-downs

By Neil Buckley

Mr Archie Norman, chief executive of Asda, warned yesterday of continuing pressure on profit margins in the food retailing, as it unveiled a record performance from his company, with underlying profits up 43 per cent.

Full property write-downs of £11m and a £130m write-off connected with the Asda's Allied Maples business meant that Asda reported a pre-tax profit of £100.1m for the year to April 30. But disregarding these exceptional items, profits rose from £140.4m to £201.1m.

"We are still in what we call the watershed period," said Mr Norman, who was the first leading industry figure to predict tougher times ahead for retailers in 1992.

"If [food retailing] is expanding by 10 to 15 per cent a year, but demand is relatively

flat it doesn't take me to point out there is going to be pressure on margins."

He added that Asda was entering the final year of a three-year recovery programme based on "meeting the needs of ordinary working people, who demand value" and designed to equip the company with the "market realities".

Asda's shares closed up 4p to 53 1/2p, up by a 10 per cent in the final dividend of 1.21p, taking the total to 1.76p (1.6p). The share of 5.91p after exceptional items compared with earnings of 6.4p last year.

Group turnover, excluding Allied Maples, increased by 9 per cent to £4.9bn (£4.4bn), and Asda said that with only one new store opened during the year, like-for-like sales increased by 1.5 per cent. That outstripped like-for-

like growth at competitors J Sainsbury, Tesco, and Asda's rival Safeway. Mr Norman admitted that Asda's figures were recovering from a base, but he added the performance had beaten his own expectations.

Asda said it increasingly competitive market and moves to more conservative accounting by other grocery groups persuaded it to make a property write-down, reducing the value of older stores to their alternative value. It was starting to depreciate other stores by between 1 and 5 per cent per year depending on the resulting in a recurring additional charge of £18.4m.

Asda also wrote down the value of its investment in Burwood House, a joint venture with British Aerospace, by £18.4m.

## NatWest pays £195m for US retail bank

John Gapper, Banking Editor

National Westminster Bank yesterday announced that it would expand its US retail banking subsidiary further by spending £195m (£195m) in 1994 and 1995 to buy

Jersey Bancorp, a retail bank with assets of \$1.8bn. NatWest Bancorp, the US subsidiary, will pay \$33.50 per share, or 2.4 times book value. The deal is the acquisition by NatWest of March 1st Citizens First Bank, another New Jersey bank.

Some 55 per cent of the \$300m will come from the issue of up to 25m ordinary shares - 1.5 per cent of NatWest's share capital - in the form of American Depositary Receipts. The acquisition will increase NatWest Bancorp's assets to \$300m.

Mr John Tagwell, NatWest Bancorp's chairman and chief executive, said that Central Jersey was attractive because of its franchise covered "horse-drawn" country, many seashore, and a lot of small businesses and prosperous consumers.

He said that NatWest's cost base by 35 per cent, mainly by cutting duplication in back-office functions. Earnings per share were unlikely to rise in the first year because of initial integration spending.

NatWest was "comfortable" that it will earn an appropriate return "by raising income from the sale of financial products. Some 11 per cent of Central Jersey's income comes from such items, compared with 34 per cent for NatWest Bancorp.

It would also be able to cut its funding costs by gaining access to Central Jersey's retail deposit base, which wholly funds its lending.

Central Jersey was "a very clean bank" in which only 1 per cent of the loan book was non-performing, and reserves stood at 118 per cent of bad loans. It has a very strong 12.3 per cent of core capital to risk-weighted assets.

## Inchcape cools on Gestetner link

By Andrew Bolger

Gestetner shares fell 19p to 144p yesterday after Inchcape, the international services and marketing group, said it would not exercise an option to acquire its office equipment and photographic supplies.

Mr Charles Mackay, Inchcape chief executive, said that it had become "increasingly apparent" the best strategy available to Gestetner, owner of Ricoh, may be for the three companies to work together in developing business opportunities, while generally maintaining separate distribution channels for the Ricoh and Gestetner brands.

"However, it is already clear that, with this strategy, it is not possible to increase our investment in Ricoh."

Inchcape shares yesterday rose by 5p to 448p. The shares

have been underperforming the market recently, partly because of concern that the group might launch a full bid for Gestetner, which would probably have involved a rights issue.

Mr Mackay said he was not aware of continuing pressure on Gestetner. Mr David Thompson, Inchcape's chairman, said: "We are comfortable that Inchcape remains a major investor in Gestetner and will continue to explore with them opportunities of mutual advantage."

"We continue to enjoy a good relationship with Ricoh as a major shareholder and as an important supplier of office automation equipment."

Gestetner's principal supplier is Ricoh, but the group

had been shifting emphasis towards flexible sourcing from a variety of suppliers. The distributor also expressed determination to exploit its muscle to gain best buying terms and terms from suppliers, including Ricoh. Gestetner distributed 14 per cent of the Ricoh products sold in Japan.

Gestetner trading profit rose to £14.1m compared with £10.7m last year. Mr Thompson said the group was beginning to reap the benefits of the restructuring actions taken last year.

Earnings per share rose to 2.7p, compared with 2.5p of 1993, or earnings of 0.3p, excluding exceptional items. The interim dividend is 1.2p (1.8p).

See Lex

## Insurers move in on EU market

By Alison Smith, Richard Lapper and Lionel Buxton

Two of the UK's largest insurers - Equitable Life and Amicable - are set to launch European operations as part of plans to take advantage of the expected liberalisation of the continent's insurance market.

Competition in the UK is expected to increase in the wake of today's deadline for implementation of the European Union "framework" directives, which allow insurers to sell home, motor and life insurance across national boundaries for the first time.

Scottish Amicable European, based in Dublin, will be operational today, with the launch of products into the UK. These feature flexible, regular premium protection-based policies, which will benefit in terms of pricing from differences in how life insurance is sold in the UK and Europe compared with the UK.

The company aims to start selling products in Germany early next year, said Mr Bradshaw, executive. Equitable Life will launch

UK-style life products in Germany, which will be sold alongside its range of traditional policies by direct force there.

The legislation should be implemented in 10 of the EU's member states by the end of the year. Companies will be able to operate throughout the EU on the basis of a licence obtained from regulators in their home state.

Denmark, France, the Netherlands, Portugal and the UK are expected to have transposed the insurance directive into national law by the July 1 deadline, while Belgium, Ger-

many, Ireland, Italy and Luxembourg would be ready by the end of the year. EU officials said Spain and Greece are being allowed until December 31 and December 31 respectively to effect the changes.

The greater competition ensuing as a result of the directive is expected to lead to lower prices, especially in traditionally more regulated markets such as Germany. Officials acknowledge, however, that differences in the regimes of member states may restrict the impact of the directive.

See Finance

## Pearson lifts Spanish stake

Pearson, the media group which owns the Financial Times, is to buy a further 12.03 per cent stake in Recoletos for £118.6m (£118.6m), bringing its total holding in the privately-owned Spanish newspaper publishing group to 24.06 per cent.

The acquisition price values Recoletos at £118.6m. Its main titles are: Expansion, Spain's

leading business and financial daily; Actualidad Economica, the main business weekly; Marca, the top daily sports paper; Tve, a women's magazine; and Diario Medico, a daily medical newspaper.

The stake will be bought from 11 of Recoletos' existing shareholders, subject to their waiver of various pre-emption rights.

## Close finish likely in battle for Lasso

By Robert Corzine and Richard Waters in New York

Enterprise Inc's increasingly bitter takeover battle for Lasso, an explorer, ended today, with Lasso saying that the deal is too close to call.

"There will be a close finish," said Lasso's chief executive, Mr Virgil Cummings, who said that Enterprise executives and advisers are counting on votes going under way in London, according to one of Lasso's larger institutional investors yesterday.

Many institutions are unlikely to tip their hands until after the 1pm deadline for votes to be received by the registrar. Phillips and Fund Management, the single shareholder, yesterday announced against making a public announcement of which side they will support.

PDFM, which held 77m Lasso shares in Enterprise's controversial bid, said on Wednesday, is thought to be uncomfortable with the idea that Enterprise might simply follow its lead.

The two sides spent much of yesterday dealing with the fallout from the share raid, in which Enterprise picked up 9.8 per cent of Lasso's shares.

The head of investments for the US-based pension fund revealed yesterday in the fact that US investors were not from Enterprise's cash offer.

Mr Virgil Cummings, chief executive of Teachers' Investment and Annuity Association - College Retirement Equities Fund (TIAA-CREF), said: "It's very, very frustrating. But this is something we continually experience in the UK."

Mr Cummings said restrictive legal interpretations obtained by UK companies frequently resulted in US transactions, such as tender offers and dividend reinvestment schemes. Similar problems did not arise in other European capital markets, he added.

The Enterprise group, though, maintained that regulators in the UK had prevented Lasso shareholders from participating, rather than the company's own legal interpretation.

Such partial cash offers during takeover bids are not permitted under US takeover law, forcing Enterprise to obtain a special exemption from the Securities and Exchange Commission for its action. That exemption did not extend to Lasso shareholders in the US, said Enterprise supporters.

Enterprise pointed out that Lasso's US shareholders before the raid held 18 per cent of the company's shares on Wednesday. However, it later told them that they could not accept the offer for legal reasons.

## US input helps raise Ivory & Sime to £6m

By James Buxton

Ivory & Sime, the Edinburgh-based fund manager, lifted pre-tax profits by 27 per cent, from £4.8m to £6.1m, during the year to April 30.

Mr Allan Munro, managing director, said the company was continuing the progress made in the four years since management changed in 1990. Managed funds increased by 15 per cent to £3.8bn at the year end, though the share was "not as fast as we would like".

During the year the company lost the contract to manage portfolios controlled by the Merchant Navy Officers' Pension Fund, leading to Ensign Trust falling to 14.7 per cent stake in investors including Abn-Am and Scottish

Value Trust. I&S also lost the contract to manage New Frontiers Development fund.

However, funds under management in North America doubled to £1.1bn despite the loss of one client worth £110m. Mr Munro said I&S could present a good five-year record in managing UK pension funds, which meant it attended "beauty parades" to win new mandates.

Profits were boosted by the high level of world stock markets over the year, when rose 23 per cent to £14.3bn.

Administrative expenses rose by 11 per cent to £11m. The final dividend is 5.5p, making a total of 7.5p, up from 6.5p, and payable 18.7p per share.

### DIVIDENDS ANNOUNCED

Company	Dividend	Date of payment	Corresponding share price	Total for year	Total last year
Aviva	1.21	Oct 3	1.1	1.75	1.8
Barrat Inds	nil	nil	nil	nil	0.7
BPS Inds	1.1	Oct 14	1.1	1.1	7.5
Brunner Inv Trst	2.5	Sept 14	2.4	-	5.25
Compass	12.90	Oct 3	12.90	12.90	12.90
Eurocamp	3.6	Aug 26	3.45	-	0.75
FRFC	0.5	Aug 22	0.5	-	1.5
Gestetner	1.21	Aug 11	1.8	-	3
Investment Inds	1.5	Oct 6	0.5	2	0.5
IAS-Prism	1.1	Aug 8	1.1	7.6	7.4
Ivory & Sime	5.5p	Oct 10	14.7	7.5	6.5
Joseph (Invest)	14.55	Sept 10	15.5	17.5	18.5
Matthews	10.75p	Oct 10	10	-	-
SW Investments	16.5	Oct 3	14.1	23.5	20

Dividends shown per share net of tax. Share prices are as at the date of payment. \*Not increased capital. \*US\$1 stock.

## SOUTH WESTERN ELECTRICITY plc



## ANOTHER SUCCESSFUL YEAR

### Results for the year ended 31 March 1994

	1994	1993	% Increase
Turnover	£899.6m	£892.0m	+0.9%
Profit before interest and tax	£123.9m	£113.2m	+9.5%
Profit before tax	£116.8m	£101.1m	+15.5%
Earnings per share	75.4p	63.1p	+19.5%
Total dividend per share	23.5p	20.0p	+17.5%

- Strong growth in Earnings and Dividends
- Units distributed Increased by 2.7%
- Lower prices and higher service standards for customers
- Core business manpower down 9%
- All businesses in profit
- Strong underlying cash performance

"In my first year as Chairman, I am pleased to report that SWEB has had another successful 12 months by concentrating strongly on our Electricity businesses, while continuing to develop related business activities. The achievement of improved customer service and tight cost control positions the company well for the future."

Maurice Warren  
Chairman

Copies of the Annual Review will be posted to all shareholders. Others who would like a copy should contact Investor Relations, South Western Electricity plc, 800 Park Avenue, Aztec West, Almondsbury, Bristol BS12 4SE. Tel: 01201 101101



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## COMPANY NEWS: UK

# Distributor backs calls for demerger of the National Grid

## Sweb lifts pay-out by 17.5%

By Michael Smith

South Western Electricity, the Bristol-based distributor, yesterday threw its support behind a demerger of the National Grid from the regional electricity companies that own it.

The company also reported a 17.5 per cent increase in dividend payments, one of the highest in the current power reporting season which ends today.

Mr John Seed, chief executive, said he thought most of the companies would support a National Grid demerger after a review of its future later this year.

Options include selling a part of the company and keeping the cash. But Mr Seed said the company favoured a full demerger of the Grid, as it achieved by handing over shares in the new company to the existing shareholders on a pro rata basis.

Sweb has adopted a similar stance on the Grid. Pre-tax profits for the year ended 31 March 1994 were £116.8m (£101.1m), achieved on turnover of £289.2m (£289.2m). A proposed final dividend of 16.5p (16.5p) was a 17.5 per cent increase on the 14.1p (14.1p) paid in 1993.

Mr John Sellers, finance director, said the company



Maurice Warren, chairman (left) with John Seed: dividend rise based on performance and desire to maintain cover

Mr Seed said the dividend increase could not be interpreted as a signal for a favourable outcome of the distribution review. "The dividend rise is based on our performance during 1993-94 and our desire to maintain the dividend cover at 3.2."

Mr John Sellers, finance director, said the company

The performance was helped by a higher than average 2.2 per cent growth in units distributed, weather-corrected.

## COMMENT

Here are yet another set of impressive results from a company which is underpinning the underlying growth in the electricity industry. The 17.5 per cent increase in dividends for provisions and subtracting money taken from customers relating to previous years and pension provisions, the total could have been about £10m higher. Assuming a 14 per cent dividend rise this year, the shares, up 14p to 615p yesterday, are trading on a prospective yield of about 5.5 per cent. That is fair for a company which has performed well but faces a tougher time than most in the industry as it is fully justified by the expense of servicing a sprawling rural area. But at the end of a week in which the share price has risen strongly, investors in all the companies involved in the distribution review should stop and consider. While it is almost certain that the review will be tough, there is as yet very little hard information to work on. The market is working on hunches, not knowledge.

Mr Seed also wants to review his balance sheet following the distribution review. It would be desirable to have levels of up to 40 per cent. Sweb had net cash of £43.5m at the year end, against borrowings of £105.7m last time. Excluding the effect of VAT receipts, gearing would have been 3 per cent.

## NEWS DIGEST

## Booth Inds losses rise to £2.12m

Difficulties in its structural steel division left Booth Industries, the specialist engineer, with increased pre-tax losses of £2.12m for the year to March 31, against £376,000.

The activities of the division have been curtailed resulting in a provision of £1.43m.

Losses per share came out at 52.5p (11.5p) and the dividend is passed. Last year only an interim of 0.7p was paid. Turnover was £18.5m (£18.9m).

## Midland & Scottish

Midland & Scottish Resources reported pre-tax losses of £113.6m (£113.6m) in 1993, on sales of £28.1m to £28.3m.

The results included the £17m provision against the Emerald Field, which was announced at the interim stage. A further provision of £1.1m against the carrying value of the floating storage unit which is part of the Emerald field.

Basic losses per share were 134p (55p).

Castle Mill

Castle Mill International, the clothing and footwear company, reported pre-tax profits of £882,000 (£882,000) turnover of £11.2m (£11.2m) in end-December 1993. The company com-

pared with a loss of £383,000 from turnover of £9.31m.

The profit was after taking into account a surplus arising from the waiver of £1.13m indebtedness of £1.13m resulting from the September's financial restructuring.

The effect of the restructuring also impacted on net interest payable, which fell from £394,000 to £258,000.

Earnings per share emerged at 5.75p (3.51p losses).

## Arcon

Arcon International Resources, the Dublin-based mineral and hydrocarbon exploration group, said its pre-tax loss for the six months to February 1994 was £155,000 (£155,000).

Losses last time amounted to £131.7m after additional depreciation of £1775,000 for mineral exploration in Alaska.

Turnover was £109,000 (£109,000) reflecting a weaker oil price. Profit before tax of £284,000, which per share was 0.416p (loss of 0.416p).

Fairfax

Fairfax reported a pre-tax profit of £4.95m for the 12 months to December 31 1993, which the property development group attributed to an exceptional item of £10.4m, representing a write-off of credit impairment within its restructure terms.

Sales in the year were £11.8m and earnings per share were 39.28p. In the previous nine-

month period a pre-tax loss of £8.37m was incurred on sales of £10.1m. The dividend per share was 73.25p.

Gresham Telecom

Gresham Telecomputing, the USM-quoted information technology concern, suffered a fall in pre-tax profits from £419,000 to £111,000 for the six months to April 30.

Turnover was virtually unchanged at £3.07m and earnings per share were halved at 0.43p (0.86p). Profits this time were struck after £38,000 reorganisation costs.

Compo

Compo Holdings, the property investment and development group, reported pre-tax profits of £310,600 for the year to March 25, against a FR 3-revised loss of £25,000.

Net income from property fell from £11.1m to £11.1m. The final dividend is held at 10p with a 3-for-1 scrip issue also proposed. Scrips per share were 30p (3.0p losses).

Porth

Porth Group, the USM-traded decorations, packaging and framing products concern, incurred a pre-tax loss of £1.1m for the year to end-December. This was an improvement on the mid-year loss of £1.8m and compared with 1992's overall loss of £1.1m which included exceptional provisions of £1.1m. Turnover was £11.1m to £11.1m.

Leopold Joseph

Leopold Joseph, the merchant banker, reported a 11 per cent fall in pre-tax profits from £2.13m to £2.05m in the year to the end of March.

The result was helped by an increase in net interest income from £5.17m to £5.3m and lower expenses of £6.4m (£6.88m).

Earnings per share were 34.4p (30p) and the dividend is raised from 18.5p to 17.5p with a recommended final of 14.25p.

I&S Optimum Tst

I&S Optimum Trust reported attributable earnings of £2.1m (£2.1m) during the year to May 31.

Earnings per share rose to 7.61p (7.25p) and a fourth interim dividend of 1.95p brings the total for the year to 7.9p (7.4p).

After a year of the anticipation of zero dividend preference shares, dividends per ordinary share dipped 5 pence from 10.0p to 9.5p.

Brunner

Net income per share of Brunner Investment Trust stood at 58.1p at May 31. This compared with 21.2p at end-May 1991.

Available revenue for the six months to end-May totalled £1.28m (£1.68m) and earnings emerged at 2.01p (2.33p). The interim dividend is lifted to 2.5p (2.4p).

## Pascon in £28m buy-out from BTR

By Andrew Taylor, Construction Correspondent

The management of Pascon has paid £28m to buy the scaffolding and plant hire business from BTR, its former parent.

The buy-out raised a total of £33.5m, including a £5m loan for future capital investment.

St, the venture capital group, provided £13.5m, a further £11m was provided by National Westminster Bank while Lombard Business Finance invested £10m.

The business, established in 1980, is one of the country's oldest scaffolding concerns still operating.

Management, led by Mr Keith Bright, managing director, is thought to have acquired a stake of more than 50 per cent in the company.

Pascon also manufactures pumps as well as hiring scaffolding and other equipment to the construction and allied industries from a national network of 30 branches.

The buy-out was negotiated by Price Waterhouse which said it was the main reason for the company's recovery which had led to a rise in share price and investor inquiries.

Pascon, which is thought to have annual pre-tax profits approaching £1m on turnover of £28m, is forecasting higher profits in the current year.

Mr Bright said the forecast was underpinned by scaffolding contract work worth £3m already in hand. Plant hire revenue also was running at record levels, while sales of the company's pump manufacturing subsidiary were the best for four years.

The approval ends effective monopoly at Wellcome, the US drug group, in the US shingles market. Zovirax, its largest selling product last year, generating £1.76m, equivalent to 10 per cent of group sales of £17.6m.

The drug, the US firm last year, was also the world's fourth largest selling medicine.

The Anglo-American healthcare group, yesterday announced it had signed an agreement to co-promote Zovirax in the US with Upjohn, the Kalamazoo-based drug group. The company said Upjohn's sales of 1,400 would work with Wellcome's 800 representa-

shingles, a 1 per cent discount to Zovirax. Wellcome matched SmithKline Beecham's price within hours.

Wellcome insisted the launch of an additional shingles treatment in the UK had been the aim of the market by 25 per cent, and that Zovirax sales had not fallen as a result.

In the same market, the company has recently launched an over-the-counter, non-prescription version of the drug for cold sores, in anticipation of the expiry of Zovirax's patents next year. Its application to market the drug over-the-counter for genital herpes in the US is still pending.

New management team at Starmin as losses double

By David Blackwell

The quarry company chaired by Lord Parkinson, the former cabinet minister, doubled its pre-tax loss for last year to £23.2m.

The total loss of £21.3m relating to the write-down of fixed assets, and £7.9m of goodwill written off.

The losses and exceptional charges have cut shareholders' funds from £19.8m to £24.2m. This has raised gearing from 30 per cent to 271 per cent, putting the group in breach of its banking facilities.

Ernst & Young, the auditors, pointed out that the accounts have been drawn up on a going concern basis, dependent on future funding being made available. The notes say there is "fundamental uncertainty as

to the appropriateness of the going concern basis". The banks have extended the group's facilities until the end of August. The board believes that talks "will result in the provision of new financing arrangements for the group".

The reappraisal of fixed assets was related to the group's plans, announced last February, to acquire a large, privately-owned construction group. But market conditions have prevented the deal from going through.

The group has called in a new management team headed by Mr Michael Gurner, an associate director of Postern Executive Group, a management consultancy firm specialising in financial reconstruction. Mr Owen Rout, acting chief executive since June 1993, is relin-

## Acquisitions help boost Matthew Clark to £10m

By Tony Jackson

An aggressive programme of acquisitions helped Matthew Clark, the drinks group, to increase annual pre-tax profits by 55 per cent, from £5.2m to £10.3m.

Mr Peter Atkins, chief executive, said that integrating Grants of St James's had yielded £1.1m of cost savings on an annualised basis, as promised at the time of the acquisition last October.

Of £10m provisions made to cover the purchase of Grants and Free traders, a drinks wholesale business, £4m had been spent in the year to April 30. The remainder would be spent largely in the current year, although the resulting cost savings would largely fall in the year after.

In the course of the year under review, the group raised £10m through the rights issues, increasing its capital base from 9.8m shares to 22.7m. The cost of acquisitions came to £51m.

Turnover tripled from £10m to £174m. The inclusion of Grants for 10 months and Grants of St James's for six months added £12m to turnover and £5.4m to operating profit.

Interest payable increased to £30,000 (£30,000) after £1.5m (£1.5m) and minority interest of £1.5m (£1.5m) attributable profit was £6.0m (£6.54m).

Earnings per share rose by 14 pence to 21.5p (19.5p). The final dividend is raised by 7.5 pence, in line with the company's forecast, to 10.75p (10p), making a total of 18p (16.75p).

Net assets at the year end were £6m. The share price rose 3p to 100p.

Assuming pre-tax profits of £15.5m this year, headline profits will have almost tripled in the space of two years. This indicates the change at Matthew Clark, and also the risks. The replacement of the old family management by drinks industry professionals has had a galvanising effect. There is no shortage of opportunities, particularly given the structural upheavals still afflicting the brewing and pubs industries. But the acquisitions contemplated in principle are pretty varied, from branded wine to cider manufacture. Shareholders will assist the process further. Buying the shares is an act of faith in the management, but it might pay off.

SmithKline Beecham, the Anglo-American healthcare group, yesterday announced the US Food and Drug Administration had approved its anti-viral drug Famvir for the treatment of shingles.

The approval ends effective monopoly at Wellcome, the US drug group, in the US shingles market. Zovirax, its largest selling product last year, generating £1.76m, equivalent to 10 per cent of group sales of £17.6m.

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quishing his executive responsibilities and will resign from the board at the AGM.

Lord Parkinson said in his statement that the group had "proved to be a successful year". But the group had made significant progress in the year. It had got back to the profitable core business of landfill and the extraction of aggregates and other minerals.

Losses on continuing operations rose from £4.3m to £13.3m, including a profit of £1.1m on acquisitions.

Total turnover fell to £11.1m from £13.7m in 1993, when the pre-tax loss was £11.9m.

Interest payable rose from £713,000 to £981,000, reflecting higher borrowings.

Losses per share were 134p (55p). There is again no final dividend.

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June 1994

Prices for electricity delivered to the customers of the electricity pooling and marketing company in the period ending in December 2014			
in Euro per kWh			
Taxing and tax on electricity			
in EUR/kWh			
10 year	price	price	price
1000	10.00	10.00	10.00
05/09	11.00	11.00	11.00
05/10	12.00	12.00	12.00
05/11	13.00	13.00	13.00
05/12	14.00	14.00	14.00
05/13	15.00	15.00	15.00
05/14	16.00	16.00	16.00
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06/01	34.00	34.00	34.00
06/02	35.00	35.00	35.00
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06/04	37.00	37.00	37.00
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06/26	59.00	59.00	59.00
06/27	60.00	60.00	60.00
06/28	61.00	61.00	61.00
06/29	62.00	62.00	62.00
06/30	63.00	63.00	63.00
07/01	64.00	64.00	64.00
07/02	65.00	65.00	65.00
07/03	66.00	66.00	66.00
07/04	67.00	67.00	67.00
07/05	68.00	68.00	68.00
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07/17	80.00	80.00	80.00
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07/23	86.00	86.00	86.00
07/24	87.00	87.00	87.00
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07/26	89.00	89.00	89.00
07/27	90.00	90.00	90.00
07/28	91.00	91.00	91.00
07/29	92.00	92.00	92.00
07/30	93.00	93.00	93.00
07/31	94.00	94.00	94.00
08/01	95.00	95.00	95.00
08/02	96.00	96.00	96.00
08/03	97.00	97.00	97.00
08/04	98.00	98.00	98.00
08/05	99.00	99.00	99.00
08/06	100.00	100.00	100.00
08/07	101.00	101.00	101.00
08/08	102.00	102.00	102.00
08/09	103.00	103.00	103.00
08/10	104.00	104.00	104.00
08/11	105.00	105.00	105.00
08/12	106.00	106.00	106.00
08/13	107.00	107.00	107.00
08/14	108.00	108.00	108.00
08/15	109.00	109.00	109.00
08/16	110.00	110.00	110.00
08/17	111.00	111.00	111.00
08/18	112.00	112.00	112.00
08/19	113.00	113.00	113.00
08/20	114.00	114.00	114.00
08/21	115.00	115.00	115.00
08/22	116.00	116.00	116.00
08/23	117.00	117.00	117.00
08/24	118.00	118.00	118.00
08/25	119.00	119.00	119.00
08/26	120.00	120.00	120.00
08/27	121.00	121.00	121.00
08/28	122.00	122.00	122.00
08/29	123.00	123.00	123.00
08/30	124.00	124.00	124.00
08/31	125.00	125.00	125.00
09/01	126.00	126.00	126.00
09/02	127.00	127.00	127.00
09/03	128.00	128.00	128.00
09/04	129.00	129.00	129.00
09/05	130.00	130.00	130.00
09/06	131.00	131.00	131.00
09/07	132.00	132.00	132.00
09/08	133.00	133.00	133.00
09/09	134.00	134.00	134.00
09/10	135.00	135.00	135.00
09/11	136.00	136.00	136.00
09/12	137.00	137.00	137.00
09/13	138.00	138.00	138.00
09/14	139.00	139.00	139.00
09/15	140.00	140.00	140.00
09/16	141.00	141.00	141.00
09/17	142.00	142.00	142.00
09/18	143.00	143.00	143.00
09/19	144.00	144.00	144.00
09/20	145.00	145.00	145.00
09/21	146.00	146.00	146.00
09/22	147.00	147.00	147.00
09/23	148.00	148.00	148.00
09/24	149.00	149.00	149.00
09/25	150.00	150.00	150.00
09/26	151.00	151.00	151.00
09/27	152.00	152.00	152.00
09/28	153.00	153.00	153.00
09/29	154.00	154.00	154.00
09/30	155.00	155.00	155.00
10/01	156.00	156.00	156.00
10/02	157.00	157.00	157.00
10/03	158.00	158.00	158.00
10/04	159.00	159.00	159.00
10/05	160.00	160.00	160.00
10/06	161.00	161.00	161.00
10/07	162.00	162.00	162.00
10/08	163.00	163.00	163.00
10/09	164.00	164.00	164.00
10/10	165.00	165.00	165.00
10/11	166.00	166.00	166.00
10/12	167.00	167.00	167.00
10/13	168.00	168.00	168.00
10/14	169.00	169.00	169.00
10/15	170.00	170.00	170.00
10/16	171.00	171.00	171.00
10/17	172.00	172.00	172.00
10/18	173.00	173.00	173.00
10/19	174.00	174.00	174.00
10/20	175.00	175.00	175.00
10/21	176.00	176.00	176.00
10/22	177.00	177.00	177.00
10/23	178.00	178.00	178.00
10/24	179.00	179.00	179.00
10/25	180.00	180.00	180.00
10/26	181.00	181.00	181.00
10/27	182.00	182.00	182.00
10/28	183.00	183.00	183.00
10/29	184.00	184.00	184.00
10/30	185.00	185.00	185.00
10/31	186.00	186.00	186.00
11/01	187.00	187.00	187.00
11/02	188.00	188.00	188.00
11/03	189.00	189.00	189.00
11/04	190.00	190.00	190.00
11/05	191.00	191.00	191.00
11/06	192.00	192.00	192.00
11/07	193.00	193.00	193.00
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11/09	195.00	195.00	195.00
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11/13	199.00	199.00	199.00
11/14	200.00	200.00	200.00
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12/27	243.00	243.00	243.00
12/28	244.00	244.00	244.00
12/29	245.00	245.00	245.00
12/30	246.00	246.00	246.00
12/31	247.00	247.00	247.00
2015	248.00	248.00	248.00
2016	249.00	249.00	249.00
2017	250.00	250.00	250.00
2018	251.00	251.00	251.00
2019	252.00	252.00	252.00
2020	253.00	253.00	253.00
2021	254.00	254.00	254.00
2022	255.00	255.00	255.00
2023	256.00	256.00	256.00
2024	257.00	257.00	257.00
2025	258.00	258.00	258.00
2026	259.00	259.00	259.00
2027	260.00	260.00	260.00
2028	261.00	261.00	261.00
2029	262.00	262.00	262.00
2030	263.00	263.00	263.00
2031	264.00	264.00	264.00
2032	265.00	265.00	265.00
2033	266.00	266.00	266.00
2034	267.00	267.00	267.00
2035	268.00	268.00	268.00
2036	269.00	269.00	269.00
2037	270.00	270.00	270.00
2038	271.00	271.00	271.00
2039	272.00	272.00	272.00
2040	273.00	273.00	273.00
2041	274.00	274.00	274.00
2042	275.00	275.00	275.00
2043	276.00	276.00	276.00
2044	277		

## Margins improve in tank container division as volumes rise by 45%

pressure on the division, would expand demand to meet increased demand for stainless steel containers.

He added that Al International, the maintenance division and Trucking division, the latter continued to generate profits but Lynton, the loss-making Manchester-based lightweight trailers manufacturer, would be disposed of.

Mr. [redacted] announced he would stand down as chairman at the next annual meeting but remain as a non-executive director. He will be replaced by Mr. [redacted] Farlane, a non-executive director for two years.

A proposed final dividend of 1.5p makes a total for the year of 2p (0.5p) from earnings per share of 3p, against losses of 3p.

## Expansion widens British Bio loss

The European Agency for the Evaluation of Medicinal Products in 1996. The drug is presently in phase II trials to evaluate its effectiveness.

Mr. Tschopp said the company would market Batimast itself. He said the drug could reach the specialist oncology market with a sales base of only 110 in Europe and 20 in the US.

The company said it was looking for partners to help it develop products outside the oncology market in order to keep down costs. The company already has a contract with Glaxo for a marketing agreement.

Losses per share were \$1.14, up from 18.2p. The interim dividend is expected from 3.45p to 3.6p.

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# FINANCIAL TIMES

# FT EXPORTER



## FT EXPORTER: Summer Issue - July 7<sup>th</sup>

The next ☐ Europe's premier export review, ☐ FT Exporter will appear ☐ the Financial Times throughout the UK and Europe ☐ 7th July ☐ Written by Financial Times journalists based in leading business ☐ Europe, the FT Exporter will show, through case histories, how ☐ with ☐ won ☐ practical problems are being overcome.

The Summer issue will ☐ discussion ☐ is World Trade ☐ GATT, ☐ a glance ☐ Profiles for

major non-European trading countries, a comprehensive guide to short term export credit insurers and a look at good deals, bad deals and who's doing them.

Details of the new FT Exporter WorldTraveler Föncard, ☐ with ☐ Sprint, will also be included in the Summer Issue.

**Derek van Tienen** [display]  
Tel: 44 (0) 71 873 3503 Fax: 44 (0) 71 873 3098

**Janet Kelloock** [classified]  
Tel: 44 (0) 71 873 3503 Fax: 44 (0) 71 873 3098

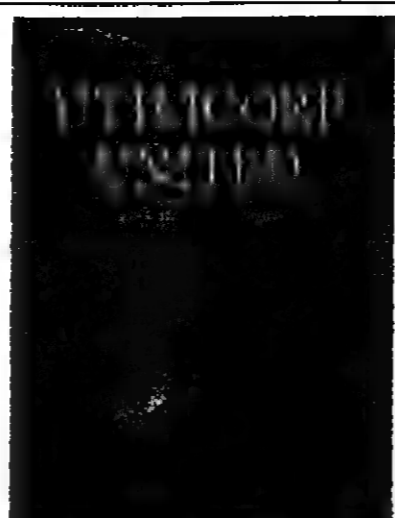
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## CAE Inc.

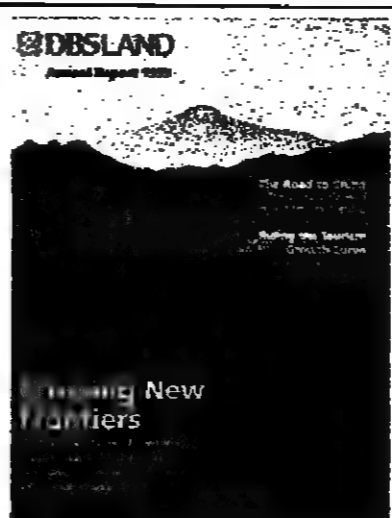
CAE is the world leader in simulation and training systems. The company's strong commitment to R&D has enabled CAE to enter new markets. Two examples of the success of this strategy are MAXVUE™, CAE's visual system, and the GEN 3™ energy management system. The company also leverages proprietary technology and precision manufacturing capabilities to enhance its leadership position in a number of niche industrial markets. With headquarters in Toronto, the company's common shares are listed on the Toronto and Montreal Stock Exchanges under the symbol "CAE".



98

## UtiliCorp United

At the forefront of change in the U.S. utility industry for nearly a decade, UtiliCorp United (NYSE:UCU) today is uniquely positioned to succeed in deregulated energy markets. It operates electric and gas utilities in eight states and British Columbia; produces, processes and markets natural gas in North America; owns independent power projects; markets natural gas in Great Britain through joint ventures with six regional companies; and has electric utility interests in New Zealand.



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## DBS LAND

DBS Land is one of the largest Singapore property groups listed on the Singapore Stock Exchange and a leader in the Singapore property market. It has assets of more than S\$3.7 billion in prime commercial, hotel, industrial, residential and leisure properties in strategic locations. DBS Land's portfolio also includes residential, commercial, industrial and hotel properties in Malaysia, Indonesia, Hong Kong, China, Sri Lanka and Vietnam. 48 Singapore and overseas subsidiaries carry out the Group's core business of property, investment and development, hotel management and related business. As at December 1993, DBS Land's profit after taxation increased by 35.3% to S\$78.7 million. The Group's turnover rose 4.1% to S\$302 million.



100

## The Rabobank Group

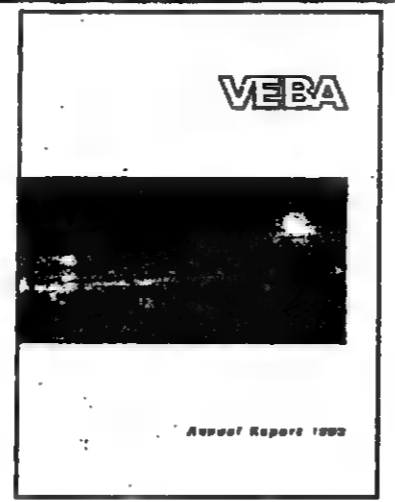
With total assets of NLG 253.2 billion the Dutch Rabobank Group ranks among the top 20 banks in Europe and the top 50 worldwide. Over the past two decades, the bank has gradually expanded its international network to cover strategic geographic areas. It comprises now 47 offices in the world's major financial and commercial centres. The Group's 'central bank', Rabobank Nederland, operates as a wholesale house, specializing in serving major national and international corporations and in operations on the financial markets. Besides dealing with currency activities, the bank offers corporate finance services (including consultancy on mergers, acquisitions and participations) as well as a comprehensive package of international services through its international network.



101

## Avesta Sheffield AB

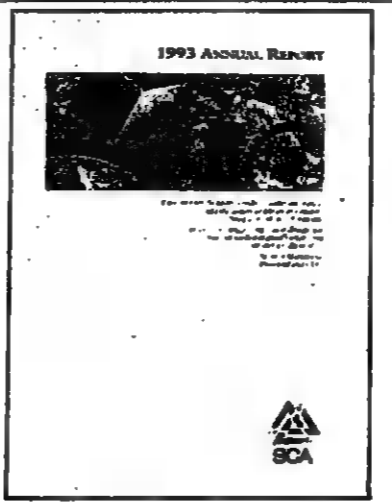
Avesta Sheffield is one of the world's major manufacturers and distributors of stainless steel with a comprehensive product programme. Avesta Sheffield employs 11,000 people and has a turnover of approximately SEK 14 billion. The group has manufacturing facilities in Sweden, the UK and the USA. It has sales companies in 20 countries, service centres in the major markets and 30 agents throughout the world. Specialisation in stainless steel and integrated process routes from raw materials to finished products contribute to low costs and superior customer service.



102

## VEBA AG

Headquartered in Düsseldorf, Germany, VEBA is one of the largest publicly owned European companies with approx. 500,000 shareholders. In 1993 the Group's 128,548 employees worldwide generated sales totalling DM 66.3 billion. While earnings amounted to DM 1.2 billion, earnings per share were DM 24.75. Through its fleet of companies, VEBA is active in the fields of Electricity, Chemicals, Oil, Trading/Transportation/Services. Aside from its international market approach, the company continues to focus its efforts on high value-added activities, and thus remains committed to creating value for its shareholders.



103

## SCA

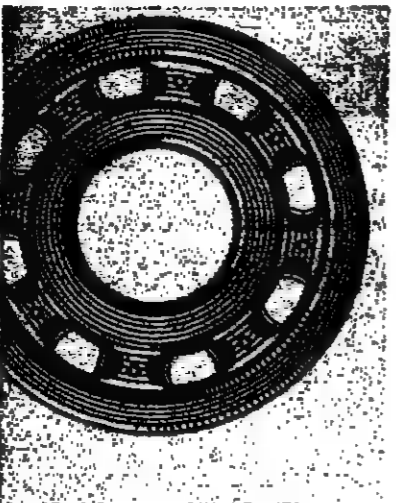
SCA is a strong, consumer-oriented company in the fields of hygiene products and packaging which account for about 2/3 of consolidated sales. High value-added printing papers and sawn timber are other significant areas. In its production, SCA uses as much recycled fiber as it does virgin fiber from the forest. SCA employs a work force of approx. 25,000 in some 20 countries, half of whom are employed within the EC. Markets outside Sweden account for about 85 percent of sales. Europe is the primary market. SCA in brief: Net sales SEK 33,426 M (22,137). Earnings after financial net SEK 1,210 M (451). Earnings per share SEK 5.82 (1.99). Equity/leverage ratio 47% (41). Shareholders equity incl minority interest SEK 20,879 M (19,091).



104

## RIETER

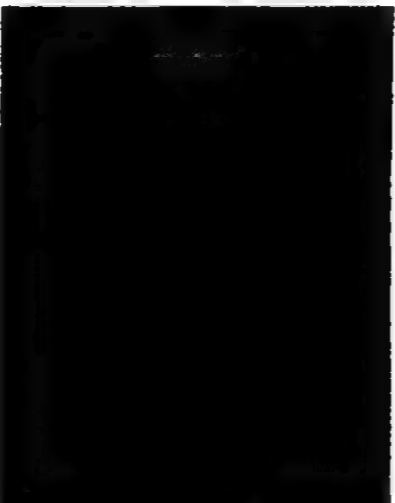
Rieter, a Swiss based group with global presence and CHF 1655 million sales in 1993, is the only company worldwide which commands the entire know how in fiber manufacturing and processing, based on both cotton and plastics. In its divisions Spinning Systems and Chemical Fiber Systems, Rieter develops and produces machines and fully integrated spinning systems. The Unilever division is European market leader in noise control and thermal insulation components for vehicles.



105

## SKF

SKF is the world leader in rolling bearings, with a market share of 20%. Bearings and seals are the Group's core business and accounted for 90% of total Group sales which in 1993 amounted to SEK 29,200 million. The manufacturing is carried out in 90 countries in 11 countries. The sales organization consists of wholly owned sales companies and more than 7000 industrial distributors together covering some 130 countries in the world.



106

## TVX Gold Inc.

TVX Gold Inc. is a Canadian based growth oriented international mining company with 1993 gold and gold equivalent production of a record 439,000 ounces at an average cash cost of \$172 per ounce from its interests in six operating gold mines located in North and South America. The strengths of TVX Gold include quality reserves, long mine life, low average cash costs and increasing production, and a new, experienced and aggressive management team.



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## Telia

The Telia Group offers public and private networks for telephony, data communications and mobile telephony. Together with PTT Netherlands and Swiss PTT, Telia is a co-owner of Unifone. In 1993, The Telia Group's revenues totalled USD \$4.5 Billion. Return on capital employed was 14.5 %. Telia invested a total of USD \$10 million.



108

## Banco Comercial Português

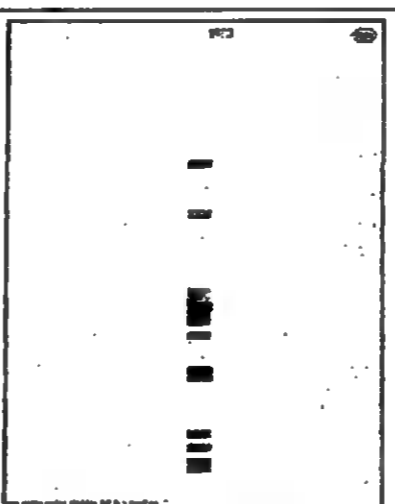
In spite of the worsening of the Portuguese economy BCP had another successful year. Two specialised banks started up, one in merchant banking, CISP - Banco de Investimento, and another in mortgage financing, Banco de Investimento Imobiliário. Also, a 50% stake in Banco Brisa de Gestão Privada, in Spain, was acquired while the opening of our Macao branch allows BCP into booming Southeast Asia, taking advantage of the existing synergies. Finally, in 1993 total assets increased 36.7% (up to PTE 1,927 B) net interest income 23.7% (up to PTE 71.9 B), cash flow 33.9% (up to PTE 75 B) and shareholders' equity 9% (up to PTE 165 B). The solvency ratio, on a consolidated basis, was 15%.



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## STATOIL

Statoil is an integrated Norwegian oil and gas company and ranks as the leading operator on Norway's continental shelf. Operations are also pursued in 20 other countries. The group reported a profit before taxation of NOK 12 billion in 1993 as against NOK 9.9 billion the year before. This increase was due to a high level of production, a reduction in operating costs and improved financial results. Statoil is organised in four business areas - Exploration & Production, Natural Gas, Oil Trading & Shipping and Refining & Marketing. From 1994 Statoil's involvement in Petrochemicals has been transferred to Borealis, a new petrochemical company owned 50 per cent by Statoil and 50 per cent by Neste. After the hive-off of its petrochemical operations in 1994, the group has about 12,000 employees.



110

## Roche

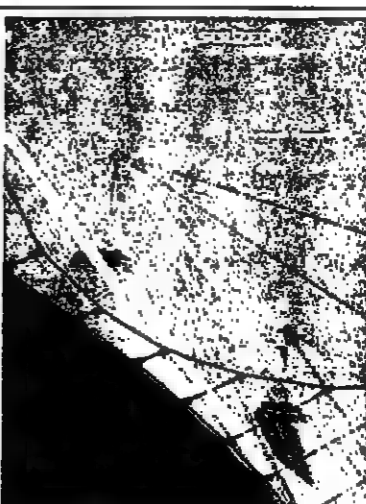
Roche is a Swiss-based international health care group employing over 36,000 people worldwide. It is a research-driven company with a leading position in biotechnology and activities covering the entire health spectrum of prevention, diagnosis and treatment of disease. Roche has gained a high reputation for the quality of its innovative research and the original contributions it has made to the development of new drugs. In addition to pharmaceuticals Roche is also engaged in the fields of vitamins and fine chemicals, diagnostics, fragrances and flavors. In 1993 Roche Group consolidated sales rose 11% to reach Sfr. 14,315 million. Consolidated net income grew 29% to Sfr. 2,478 million. Groupwide Sfr. 2,163 or 15% of total group were devoted to research and development. This is an increase of Sfr. 165 million or 8%.



111

## Roberts Pharmaceuticals

Roberts Pharmaceuticals (NASDAQ:RFX) is first realizing its goal of becoming a major pharmaceutical company whose diverse products contribute to the health and well-being of all age groups. Roberts has successfully combined an aggressive product development program with strategic acquisitions, to create a profitable company with a well-balanced product portfolio concentrated in six major therapeutic categories.



112

## SULZER

Sulzer is a market-oriented, internationally leading Technology Corporation based in Winterthur, Switzerland, employing over 30,000 co-workers worldwide. Sulzer is active in the following markets: Weaving Machinery, Plant and Building Services, Medical Technology, Process Engineering, Reciprocating Compressors, Locomotives, Power Technology, Thermal Power Systems, Hydraulics, Thermal Turbomachinery, Paper Technology and Pumps. In 1993, despite poor economic conditions in many of its markets, Sulzer increased its net income by 11% with a slightly reduced sales and order intake; net value added per employee rose by 3.5%.

The Financial Times Annual Report Service is appearing on 28, 29, 30 June & 1 July 1994

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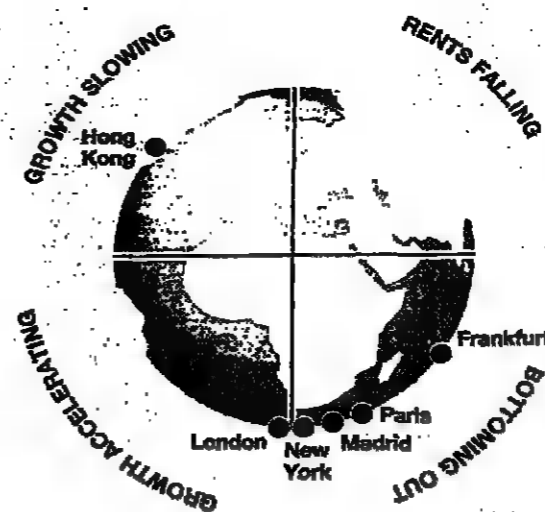
# PROPERTY



The new provision would have the effect of ensuring that where BT is required to reduce prices in any of the three years from 1 August 1994, in accordance with Condition 24A of its Licence, combined with changes in individual controlled

\* Source: Professional Investment Consultants Worldwide 1991-4

Prime rental values (June 1994)



Source: Jones Lang Wootton

**Abstract** *See page 101*

The combination of good growth prospects in rental value in the medium term, the high yield and the ability to borrow locally in competitive rates make the US a compelling target for international investors. German, UK and Dutch investors as well as Middle Eastern and far eastern groups are all actively looking at the US market.

The principal investors interested in Europe are the larger pension funds keen to diversify beyond America. funds' interest in Europe gathering pace at the time as an increasing awareness of the attractions of their home market. American will inevitably be better placed to opportunities in their backyard in the face of rising interest from European competitors.

The author is chairman  
Jones Lang Wootton PwC  
Management

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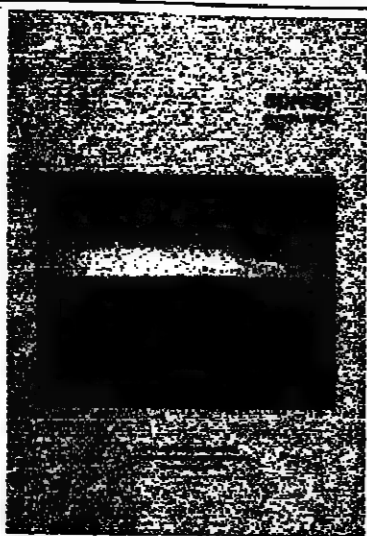
**FINANCIAL TIMES**

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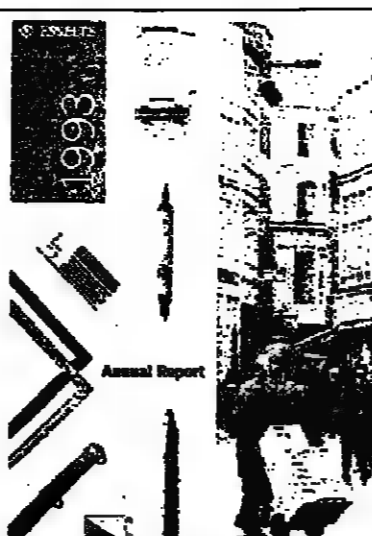
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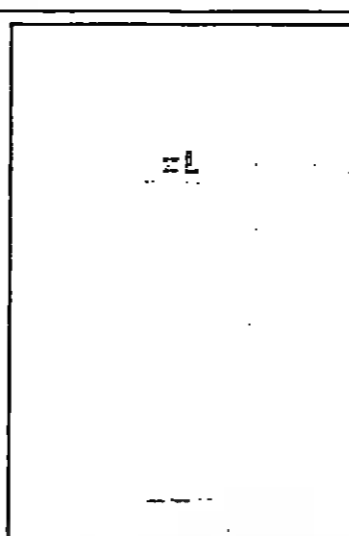
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SOFFEX - Swiss Options and Financial Futures Exchange is the Swiss-wide fully integrated electronic Exchange for derivative products. The product range with options on Swiss blue-chip shares and the Swiss Market Index (SMI) as well as futures on the SMI and long-term government bonds meets the needs of all portfolio managers active in the Swiss franc sector. Market position in Europe 1993: 1st place in stock options, 2nd in index options.



## Esselte

Esselte is a worldwide Group focusing on manufacture and distribution of products for offices and retail stores. The Group has slightly more than 11,000 employees, of whom 460 are located in Sweden. Operations are conducted primarily in Western Europe and North America. Sales for 1993 amounted to SEK 11,843 m, an increase of 20 percent, compared with the preceding year. Income before tax was SEK 301 m (-11). Return on capital employed increased to 8.3 percent (5.1). Income per share after tax was SEK 4.30 and proposed dividend SEK 2.75 per share.



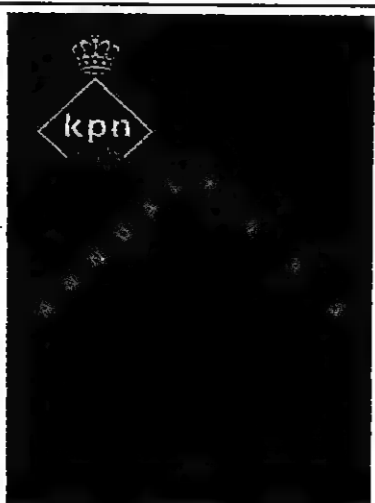
## Zellweger Luwa Group

With branches in over 20 countries throughout the world, the Swiss Zellweger Luwa Group has some 6,900 employees. Operations cover the following areas: Textile Systems, Energy, Environmental Monitoring, Ventilating and Air-conditioning Systems, and Building Services. In 1993, consolidated sales came to Swiss Francs 979.8 million.



## LIPPOBANK

Lippobank, established in 1948, is one of Indonesia's leading commercial banks. Among publicly-listed banks it has the largest network of all, with more than 220 branches throughout Indonesia. It has representative offices in Sydney, Kuala Lumpur, Bangkok, Manila, Hanoi and Ho Chi Minh City. As part of the Lippo Group of companies, Lippobank has subsidiaries and financial services affiliates in Hong Kong, Singapore, China, Thailand, Australia and California - and either directly or via the Lippo Group, joint venture alliances in Indonesia with eminent banking names such as Bankers Trust, Tokai Bank, Daiwa Bank and Banque Nationale de Paris. The shares of Lippobank are actively traded on the Indonesian stock exchanges.



## KPN

1993 was again a good year for Royal PTT Nederland. Net income increased by almost 8% to NLG 1,795 million. The dividend was raised to 50% of this amount, rounded up to NLG 898 million. Sales increased by almost 6% to NLG 17,306 million. Capital expenditure on property, plant and equipment was NLG 3,180 million. Group equity amounted to 49.2% of total liabilities and group equity at year end 1993. At present, KPN expects that for 1994 the growth of sales and net income will be similar with 1993.



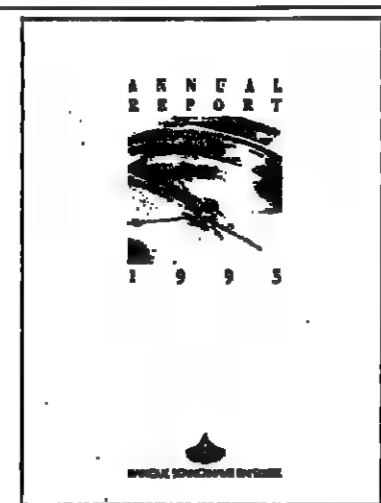
## Saga Petroleum a.s.

In 1993, Saga Petroleum had an operating profit of NOK 1,694 million and a profit before taxes of NOK 1,006 million. The Group's proved and probable oil and gas reserves total 147.4 million tonnes of oil equivalent, of which 44 per cent are in the North Sea. Saga is among the largest independent upstream companies in the world. It is Saga's intention to further strengthen its position on the Norwegian shelf, and to utilise the company's expertise and capacity to gradually develop its international activities. Saga's objective is to give the company's shareholders the highest possible return on their investment through efficient operations and strict requirements to the profitability of new projects.



## Software AG

Software AG celebrated its 25th business year with an eight per cent rise in Group sales to DM 843 million, further confirmation of its position as one of the largest independent software vendors worldwide. More than 5,000 organisations in over 75 countries currently base their IS activities on Software AG products and services. The positive results recorded in 1993 reflect the further success and refinement during the year of our long-term strategy of positioning Software AG as a global services provider, supplying medium-sized and large enterprises with business solutions based on superior software technology.



## BSS

BSS is a Swiss bank with all what this implies in terms of tradition, experience, security and confidentiality. BSS is owned by the 'Fondation de Famille Sandoz' and by key executives of the bank. The bank focuses on asset management for private and institutional clients and offers a wide range of securities and banking services including global custody, forex and stock exchange operations.

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65. ☐ Otr N.V.
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90. ☐ TELEKURS

91. ☐ AB Bank of Sweden
92. ☐ GEA Aktiengesellschaft
93. ☐ SHV
94. ☐ Barilo Group
95. ☐ Southwestern Bell Corp.
96. ☐ Telus Corporation
97. ☐ CAE Inc.
98. ☐ UtiliCorp United
99. ☐ DBS Land
100. ☐ The Rabobank Group
101. ☐ Avesta Sheffield AB
102. ☐ VEBA AG
103. ☐ SCA
104. ☐ Borden
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## COMMODITIES AND AGRICULTURE

## Further doubt cast on Russian diamond deal

By John Lloyd in Moscow

The top official in Russia's diamond industry has again cast doubt on the future agreement with the De Beers diamond monopoly - saying that Russia gets prices up to 35 per cent higher for the 5 per cent of its production it is allowed to sell outside its agreement with De Beers, the south African group that, through its London-based Central Selling Organisation, controls at least 80 per cent of world trade in

rough (uncut) diamonds. Mr Yevgeny Bychkov, head of the state committee on precious metals and stones, was speaking before the expected resumption of talks with De Beers in the middle of this month. The two sides talked in June, but were unable to settle any of the outstanding issues between them.

Exports of rough diamonds - handled by De Beers - brought in \$1.3bn last year, said Mr Bychkov, while exports cut stones yielded \$830m. Nearly

all of this production came from the republic of Yakutia, with the Urals, the only other diamond producing region, accounting for no more than 100,000 carats. Mr Bychkov added: "Talk of the collapse of the Russian gold industry is very much exaggerated", pointing to an increased production estimates for this year of 150 tonnes, compared with 146.8 tonnes last in 1993. Some 30 to 35 per cent of the gold produced in Russia was exported, he said.

## Peru auctions off big, low-grade goldfield

By Sally Bowen in Lima

The rights to the vast Peruvian alluvial gold deposits known as San Antonio de Potos were successfully auctioned in Lima this week.

Vega-Andes Corporation, a Peruvian consortium, outbid rival Brazilian and Colombian mining concerns with an offer exceeding \$8.5m for the two deposits and the fixed assets. With the sale, handled by Morgan Grenfell, the Peruvian state risks itself of a huge but low-grade goldfield that it has never been capable of developing. The deposits, located on

an inhospitable plateau some 5,000 metres above sea level, have been virtually abandoned for 20 years. Vega-Andes says it will commence dredging operations almost immediately, moving 1.6m tonnes of gold-bearing soil next year and 5.4m tonnes in 1996.

The company will pay the Peruvian state royalties on all gold extracted varying between 2 and 10 per cent according to fluctuations in the international gold price.

Revenue from royalties is expected to total about \$2m a year.

## Australia expects Asian beef boost

By Nikki Tait in Sydney

Australian beef exports to North Asia could almost double over the next four years, as a result of trade liberalisation, the government-owned Australian Bureau of Agricultural and Resource Economics forecast this week.

Abare forecast that exports to Japan and South Korea could rise to 680,000 tonnes in 1998-99, from 344,000 tonnes in 1993-94.

The increased exports should underpin prices and could take the cattle herd and beef production back to the record levels seen in the 1970s, the forecaster suggested.

## Zinc producers conspire in their own downfall

An opportunity for a return to profitability has been missed, argues Thomas Baak

Some years ago the chief executive of a major European metals group delivered a speech on the future of the European zinc industry. To make his point he compared the decision makers in the industry with the heroes of ancient Greek plays - who acted in ways that inevitably led to their destruction.

In the end that chief executive proved a perfect example of his own analogy.

There is no predestination, however, that the European zinc industry shall always be a loser. Its failures have been caused by wrong decisions - repeated over and over again. The present situation has been created, of course, both by the unforeseeable rise in metal supplies from the former eastern bloc countries and by the adverse business cycle. But it is not the first time that the European zinc industry has found itself in turmoil; low profitability has been its main feature for decades.

Zinc production is characterised by high fixed costs, stemming from high capital intensity and the structure of power supply contracts, which sacrifice intake flexibility for low power tariffs.

The European zinc producers, who are at a comparative cost-disadvantage, have always seen only one way to stay competitive - spreading fixed costs by expanding capacity. What makes sense for an individual producer does not, however, work in the interest of the whole industry. It inevitably results in overcapacity. No wonder that western Europe, a high-cost region, is punished by the lowest zinc prices.

Several attempts have been made to remedy the situation by concerted action of producers and the European Commission. The last attempt to negotiate a "shut-down agreement" failed some months ago. It was aimed at facilitating the closure of unprofitable capacity by raising money from the whole industry in order to get

a balanced European zinc market. The high cost of closing a plant in Europe is the main barrier to withdrawing from the market place.

This exit barrier would have been lowered by the financial scheme of the shut down agreement. It failed mainly because the financial weakness of some of the participants encouraged others to believe that plants would be shut in any case, without the need for an injection of their money.

They hoped, in other words, that market forces would solve the problem for them. But market forces have not worked in the European zinc industry for more than 20 years. Why should they work now?

Cost-cutting companies are in no position to bear the high expenses of plant closures. In the short run at least, it costs less to keep even an unprofitable operation open.

The withdrawal of the stronger market players from the

shut-down agreement has backfired, as market developments prove.

Experience in the aluminium sector shows that an agreement to cut capacities can easily boost prices by \$200 a tonne. On top of that the zinc smelters would have been able to negotiate higher treatment charges, which dropped by around \$40 per tonne of concentrate from 1989 to 1994. In addition removing overcapacity from the European market would put the European producers into a position to earn premiums over metal from their competitors in other areas of the world.

It is not expecting too much, moreover, to presume that other producers, such as the Japanese, would follow the European lead in closing down production.

The damage to the income of the zinc industry as a consequence of the failure of the shut-down agreement adds up to enormous numbers. A loss of revenue of \$100 a tonne for

the smelters may be a conservative estimate - it could well be double that amount. Taking \$150 a tonne as a basis for calculation it amounts to a \$20m annual loss for a 100,000-tonnes-a-year operation.

Calculating the net present value for 5 years, which is not unreasonable as a shut down has a lasting effect, the result would be \$75m assuming a 10 per cent discount rate. In fact the European zinc smelters could only dream of a 10 per cent profit rate over a five-year period. Therefore a discount rate of zero seems more appropriate.

For the 2m-tonnes-a-year zinc industry in western Europe the loss from not acting in a sensible manner amounts to between \$1.4bn and \$1.8bn - an amount from which compensation for the cost of closures could easily have been provided. Thomas Baak, now a consultant, is a former chief economist of Metallgesellschaft, the German metals group.

## 'Growers unlikely to gain from coffee price surge'

Smallholder farmers were unlikely to benefit from the explosive price rise in coffee futures this week. TransFair, a foundation securing Third World growers prices above world market levels said, reports Reuters from Cologne.

"Wholesalers continue to buy coffee from the small farms at the old rock-bottom prices," claimed TransFair director Mr Dieter Overath.

"Farmers in countries such as Guatemala and Mexico don't even know of the Brazil frosts and the price rallies," German consumers should therefore not assume that higher retail prices meant the Third World was doing any better.

TransFair works through some 20 licensed roasters who have launched their own Third World brands, charging the consumer Dm3 to Dm3 (80p to 120p) per 500 grammes than

ordinary brands cost.

When the New York price is below 165 cents a pound the difference between this level and world market prices is passed on to approved businesses. Nearly New York coffee futures were close to 190 cents a pound yesterday, but distant positions were closer to 180 cents.

TransFair pays the extra sums to family businesses, co-operatives and infrastructure projects in coffee growing regions.

It said its system was securing the long-term survival of the coffee trade by offering long-term contracts and forward credits of up to 60 per cent of sales value.

TransFair has a less than 1 per cent share of the German coffee market but expects further growth from public and catering institutions.

## New Zealand to drop Woolmark

By Terry Hall in Wellington

The New Zealand Wool Board will shortly cease to use the Woolmark brand name for much of the country's wool production, it announced this week. This follows its decision to take over the interior wools division of the International Wool Secretariat.

In future the wool, most of which will end up as carpet, curtaining, bedding or upholstery fabrics, will be sold under the name Wools of New Zealand, with a new registered trade mark of a stylised black and white fern. This will be marketed internationally by the 75 IWS staff, based in offices in London, Brussels, Beijing and elsewhere, who join the wool board when the take-over becomes effective today.

The chairman, Mr Pat Morrison, said that the move was being made because New Zealand was the major producer of interior wools, and wanted a direct involvement in its production.

New Zealand will remain a member of the IWS, as will the other original partners - Australia and South Africa - and continue to contribute towards the cost of promoting apparel products. However, these accounts for 90 per cent of New Zealand's wool production.

As part of the change the board will also change its operational name to Wools of New Zealand, although Mr Morrison emphasised that its role as a producer-owned co-operative of farmers would remain. He said the change in name was to help ease misconceptions that the board was government-controlled.

The new identity is part of sweeping changes which include the board requesting the government to legislate away a number of regulatory functions, such as the ability to purchase the entire wool clip in troubled times.

Mr Morrison said that at one time New Zealand carpet wools dominated the world trade, holding some 70 per cent of the market. But its share had dropped to 30 per cent.

Mr Morrison said that the board had never been able to exercise these powers. In future it will concentrate on research, product development and promotion.

Welcoming the change of name, Mr John Falloon, the minister of agriculture, said that a parliamentary function that for many years, through its levy to the IWS, the board had funded the promotion of wools produced by other countries.

"Now New Zealand farmers are directly funding the development of their own wool," he said. "That is the way it should be."

Mr Morrison said that at one time New Zealand carpet wools dominated the world trade, holding some 70 per cent of the market. But its share had dropped to 30 per cent.

## MARKET REPORT

## LME base metals prices move higher

Base metals prices moved higher yesterday afternoon on the London Metal Exchange and, although there was some late profit-taking, all markets finished in the plus column with most set for further gains, dealers said.

"COPPER AND ALUMINIUM found the going heavy at the highs, but are still looking good. They had the reactions earlier this week, and three

months delivery aluminium should get a \$1,500 (a tonne), one said. The aluminium price closed at \$1,475 a tonne, up \$18.75 on the day, but ended the after-hours session at \$1,475.

London Commodity Exchange COFFEE prices ended modestly firmer after a roller-coaster session that saw them test the downside after touching fresh 74-year highs

in early trading. The September futures position closed \$5 up at \$3,128 a tonne. "We came back up on New York's regained strength," said one trader.

The market mood remained fundamentally very bullish and further gains were likely, others said, noting it was "just the start of the first period" in the southern hemisphere. Compiled from Reuters

## COMMODITIES PRICES

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from 14.00 hours, unless stated otherwise. All prices are for 100 tonnes unless stated otherwise.)

Copper (3 months) 1471.5-1471.5  
Previous 1469.0-1469.0  
High/Low 1469.0-1469.0  
AM Official 1469.0-1469.0  
Kerb close 1469.0-1469.0  
Open int. 278.911  
Total daily turnover 57,028

ALUMINIUM ALLOY (50 per cent)  
Close 1465.70-1465.70  
Previous 1464.50-1464.50  
High/Low 1464.50-1464.50  
AM Official 1465.50-1465.50  
Kerb close 1465.50-1465.50  
Open int. 2,818  
Total daily turnover 9,008

Lead (3 months) 858.5-858.5  
Previous 857.0-857.0  
High/Low 857.0-857.0  
AM Official 858.0-858.0  
Kerb close 858.0-858.0  
Open int. 11,186  
Total daily turnover 11,186

NICKEL (3 months) 8140-80  
Previous 8100-10  
High/Low 8100-10  
AM Official 8100-10  
Kerb close 8100-10  
Open int. 9,008  
Total daily turnover 9,008

STEEL (3 months) 854-854  
Previous 853-853  
High/Low 853-853  
AM Official 854-854  
Kerb close 854-854  
Open int. 9,008  
Total daily turnover 9,008

COBALT (3 months) 854-854  
Previous 853-853  
High/Low 853-853  
AM Official 854-854  
Kerb close 854-854  
Open int. 9,008  
Total daily turnover 9,008

COBALT (3 months) 854-854  
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AM Official 854-854  
Kerb close 854-854  
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High/Low 853-853  
AM Official 854-854  
Kerb close 854-854  
Open int. 9,008  
Total daily turnover 9,008

## PRECIOUS METALS continued

## GOLD COMEX (100 Troy oz.) (3 months)

Close 387.5-387.5  
Previous 386.5-386.5  
High/Low 386.5-386.5  
AM Official 387.0-387.0  
Kerb close 387.0-387.0  
Open int. 2,818  
Total daily turnover 9,008

PLATINUM COMEX (50 Troy oz.) (3 months)

Close 414.0-414.0  
Previous 413.0-413.0  
High/Low 413.0-413.0  
AM Official 414.0-414.0  
Kerb close 414.0-414.0  
Open int. 2,818  
Total daily turnover 9,008

PALLADIUM COMEX (100 Troy oz.) (3 months)

Close 414.0-414.0  
Previous 413.0-413.0  
High/Low 413.0-413.0  
AM Official 414.0-414.0  
Kerb close 414.0-414.0  
Open int. 2,818  
Total daily turnover 9,008

SILVER COMEX (100 Troy oz.) (3 months)

Close 414.0-414.0  
Previous 413.0-413.0  
High/Low 413.0-413.0  
AM Official 414.0-414.0  
Kerb close 414.0-414.0  
Open int. 2,818  
Total daily turnover 9,008

ENERGY

CRUDE OIL NYMEX (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL WTI (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL BRENT (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL DUBAI (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL JAPAN (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL KOREA (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL SINGAPORE (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL THAI (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL VIETNAM (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL MALAYSIA (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008

CRUDE OIL INDONESIA (42,000 US gal.) (2 months)

Close 14.75-14.75  
Previous 14.70-14.70  
High/Low 14.70-14.70  
AM Official 14.75-14.75  
Kerb close 14.75-14.75  
Open int. 2,818  
Total daily turnover 9,008



## INVESTMENT TRUSTS - CONT.

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BUILDING & CONSTRUCTION		MANUFACTURING		TRANSPORTATION		WHOLESALE		RETAIL		FINANCIAL		SERVICES		GOVERNMENT	
INDUSTRY	1997	INDUSTRY	1997	INDUSTRY	1997	INDUSTRY	1997	INDUSTRY	1997	INDUSTRY	1997	INDUSTRY	1997	INDUSTRY	1997
Aluminum	100	Food Processing	100	Airplane	100	Department Store	100	Department Store	100	Bank	100	Hotel	100	Police	100
Automotive	100	Food Service	100	Automobile	100	Food Store	100	Food Store	100	Insurance	100	Restaurant	100	Fire	100
Chemical	100	Textile	100	Boat	100	Gas Station	100	Gas Station	100	Investment	100	Bar	100	Post Office	100
Electronics	100	Plastic	100	Truck	100	Hardware	100	Hardware	100	Real Estate	100	Cafe	100	Public Works	100
Energy	100	Rubber	100	Tractor	100	Home Goods	100	Home Goods	100	Transportation	100	Convenience Store	100	Police	100
Food	100	Shoes	100	Trailer	100	Household Appliances	100	Household Appliances	100	Utilities	100	Drug Store	100	Police	100
Food Service	100	Textiles	100	Truck	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Processing	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods	100	Wholesale	100	Supermarket	100	Police	100
Food Service	100	Textiles	100	Tractor	100	Household Goods	100	Household Goods							

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**ELECTRONIC & ELECTRICAL EGPT**

Year	Egypt (%)	Jordan (%)	Saudi Arabia (%)
1990	1.5	1.5	1.5
1991	1.5	1.5	1.5
1992	1.5	1.5	1.5
1993	1.5	1.5	1.5
1994	1.5	1.5	1.5
1995	1.5	1.5	1.5
1996	1.5	1.5	1.5
1997	1.5	1.5	1.5
1998	1.5	1.5	1.5
1999	1.5	1.5	1.5
2000	1.5	1.5	1.5
2001	1.5	1.5	1.5
2002	1.5	1.5	1.5
2003	1.5	1.5	1.5
2004	1.5	1.5	1.5
2005	1.5	1.5	1.5
2006	1.5	1.5	1.5
2007	1.5	1.5	1.5
2008	1.5	1.5	1.5
2009	1.5	1.5	1.5
2010	1.5	1.5	1.5
2011	1.5	1.5	1.5
2012	1.5	1.5	1.5
2013	1.5	1.5	1.5
2014	1.5	1.5	1.5
2015	1.5	1.5	1.5
2016	1.5	1.5	1.5
2017	1.5	1.5	1.5
2018	1.5	1.5	1.5
2019	1.5	1.5	1.5
2020	1.5	1.5	1.5
2021	1.5	1.5	1.5
2022	1.5	1.5	1.5
2023	1.5	1.5	1.5
2024	1.5	1.5	1.5
2025	1.5	1.5	1.5
2026	1.5	1.5	1.5
2027	1.5	1.5	1.5
2028	1.5	1.5	1.5
2029	1.5	1.5	1.5
2030	1.5	1.5	1.5

**HEALTH CARE**

Year	Egypt (%)	Jordan (%)	Saudi Arabia (%)
1990	1.5	1.5	1.5
1991	1.5	1.5	1.5
1992	1.5	1.5	1.5
1993	1.5	1.5	1.5
1994	1.5	1.5	1.5
1995	1.5	1.5	1.5
1996	1.5	1.5	1.5
1997	1.5	1.5	1.5
1998	1.5	1.5	1.5
1999	1.5	1.5	1.5
2000	1.5	1.5	1.5
2001	1.5	1.5	1.5
2002	1.5	1.5	1.5
2003	1.5	1.5	1.5
2004	1.5	1.5	1.5
2005	1.5	1.5	1.5
2006	1.5	1.5	1.5
2007	1.5	1.5	1.5
2008	1.5	1.5	1.5
2009	1.5	1.5	1.5
2010	1.5	1.5	1.5
2011	1.5	1.5	1.5
2012	1.5	1.5	1.5
2013	1.5	1.5	1.5
2014	1.5	1.5	1.5
2015	1.5	1.5	1.5
2016	1.5	1.5	1.5
2017	1.5	1.5	1.5
2018	1.5	1.5	1.5
2019	1.5	1.5	1.5
2020	1.5	1.5	1.5
2021	1.5	1.5	1.5
2022	1.5	1.5	1.5
2023	1.5	1.5	1.5
2024	1.5	1.5	1.5
2025	1.5	1.5	1.5
2026	1.5	1.5	1.5
2027	1.5	1.5	1.5
2028	1.5	1.5	1.5
2029	1.5	1.5	1.5
2030	1.5	1.5	1.5

**ENGINEERING, VEHICLE**

Year	Egypt (%)	Jordan (%)	Saudi Arabia (%)
1990	1.5	1.5	1.5
1991	1.5	1.5	1.5
1992	1.5	1.5	1.5
1993	1.5	1.5	1.5
1994	1.5	1.5	1.5
1995	1.5	1.5	1.5
1996	1.5	1.5	1.5
1997	1.5	1.5	1.5
1998	1.5	1.5	1.5
1999	1.5	1.5	1.5
2000	1.5	1.5	1.5
2001	1.5	1.5	1.5
2002	1.5	1.5	1.5
2003	1.5	1.5	1.5
2004	1.5	1.5	1.5
2005	1.5	1.5	1.5
2006	1.5	1.5	1.5
2007			

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**TRANSPORT - Cont.**[illegible][illegible][illegible]

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## OTHER OFFSHORE FUNDS

<p><b>Bank of America</b></p> <p>Bank of America Corp. (NYSE: BAC) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankofamerica.com">www.bankofamerica.com</a>.</p>	<p><b>JP Morgan Chase</b></p> <p>JP Morgan Chase &amp; Co. (NYSE: JPM) is a global financial services company, offering a comprehensive suite of banking and investment services.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.jpmorgan.com">www.jpmorgan.com</a>.</p>	<p><b>Wells Fargo</b></p> <p>Wells Fargo Bank, N.A. (NYSE: WFC) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.wellsfargo.com">www.wellsfargo.com</a>.</p>	<p><b>Citigroup</b></p> <p>Citigroup Inc. (NYSE: C) is a global financial services company, offering a comprehensive suite of banking and investment services.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.citigroup.com">www.citigroup.com</a>.</p>	<p><b>Capital One</b></p> <p>Capital One Financial Corporation (NYSE: COF) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.capitalone.com">www.capitalone.com</a>.</p>	<p><b>Bank of Montreal</b></p> <p>Bank of Montreal (NYSE: BMO) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bmo.com">www.bmo.com</a>.</p>
<p><b>Bank of Canada</b></p> <p>Bank of Canada (NYSE: BOC) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankofcanada.com">www.bankofcanada.com</a>.</p>	<p><b>Bank of Nova Scotia</b></p> <p>Bank of Nova Scotia (NYSE: BNS) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankofnovascotia.com">www.bankofnovascotia.com</a>.</p>	<p><b>Bank of the West</b></p> <p>Bank of the West (NYSE: BW) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankofthewest.com">www.bankofthewest.com</a>.</p>	<p><b>Bank of the South</b></p> <p>Bank of the South (NYSE: BOS) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankofthesouth.com">www.bankofthesouth.com</a>.</p>	<p><b>Bank of the East</b></p> <p>Bank of the East (NYSE: BOE) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankoftheeast.com">www.bankoftheeast.com</a>.</p>	<p><b>Bank of the West</b></p> <p>Bank of the West (NYSE: BW) is a leading financial institution in the United States, providing a wide range of banking and financial services to individuals and businesses.</p> <p>Key services include:</p> <ul style="list-style-type: none"> <li>Personal Banking: Checking, Savings, Loans, and Credit Cards.</li> <li>Business Banking: Commercial Loans, Business Checking, and Merchant Services.</li> <li>Investment Services: Retirement Planning, Wealth Management, and Asset Management.</li> <li>Insurance: Life, Auto, and Homeowners Insurance.</li> </ul> <p>For more information, visit <a href="http://www.bankofthewest.com">www.bankofthewest.com</a>.</p>

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# CURRENCIES AND MONEY

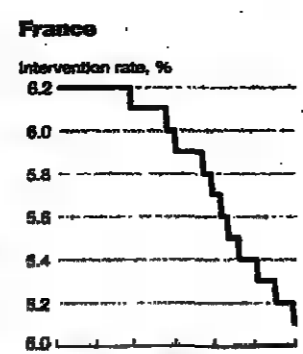
## MARKETS REPORT

### Dollar touches new low

The dollar touched another new low against the yen yesterday, but was still no indication of central bank intervention to support the currency, writes Philip Gawth.

The dollar closed in London at \$136.845 from \$136.875 on Thursday, and was also lower against the D-Mark, finishing at DM1.5915 from DM1.5925.

Analysts said the market was willing to probe the downside in the absence of co-ordinated intervention and policy change.



Although the market is focusing its attention on next week's Federal Reserve Committee meeting, it is confident of probing the downside in the meantime.

Sterling closed slightly firmer at £DM2.4564 from £DM2.4558.

Against the dollar it finished at \$1.5436 from \$1.547.

In Europe the lire and the franc both weakened against the D-Mark. The Bank of France cut its intervention rate to 5.1 per cent from 5.3 per cent.

The dollar kicked off the day firmer on vague reports of US and German monetary authorities co-operating more closely.

After offering little in the market was comments from Mr Tomichi Murayama, the new Japanese prime minister, in a local newspaper, that he would want to see "as much international co-operation as possible" with regard to the rising yen. In contrast, however, Mr William Rubin, an adviser to President Clinton, said the dollar would be weakened until there was evidence of portfolio flows in the US buy US assets.

Analysts said that the lower yen was also selling the D-Mark against the yen as a safer route than direct sales of the dollar, against the yen or the D-Mark.

The D-Mark closed in London at \$136.845, down from \$136.875 on Thursday.

There was little response to various second line US data released, which matched market expectations.

Mr Neil MacKinnon, economist at Citibank in London, said the problem the central banks faced in supporting the dollar was the lack of short dollar positions against the

yen. This made it more difficult for intervention to be effective.

Aggravating matters is the political situation in Japan. Mr Gerard Lyons, chief economist at International in London, said the appointment of the Socialist party leader, Mr Tomichi Murayama, as prime minister had mixed implications for the yen. On the one hand, the fact that there was no longer a political crisis in Japan improved the likelihood of progress in the trade talks with the US.

On the other, the Socialist opposition to consumption tax diminished the likelihood of any personal finance which the market is hoping for.

Mr Lyons predicted that the dollar would continue to weaken until there was evidence of portfolio flows in the US buy US assets.

The trigger, he said, would be a dampening of US inflation expectations, which would probably arrive with evidence of a slowing in US economic growth, and evidence that the Fed had achieved a neutral monetary policy stance.

The outlook for the dollar is also gloomy from a technical perspective. Mr Brian Marber, an independent analyst, said he had "no doubt that the dollar is still headed much lower."

He said that if the dollar finished below \$100 for a third day, this would show that the dollar positions against the

bullish of the dollar, it would leave him "firmly bearish".

In Europe the Italian lira had another difficult day, closing at L994.7/DM from L990.6.

Analysts said the currency suffered from the sell-off in Italian bonds. Markets remain worried about whether the government has the will to deal with Italy's large budget deficit.

They were also fanned by evidence of a possible conflict between the president and prime minister over the running of the state broadcaster.

The French franc finished unchanged at FF136.845 from FF136.875.

The D-Mark following the rise in interest rates. This was a solid performance, considering that it closed with a rise showing unemployment - a highly sensitive political issue - had risen to 12.7 per cent in May.

MacKinnon said monetary policy in France remained in tight - money supply growth is currently negative - for this stage of the cycle. But he added: "Betting against the French franc has not been a profitable trade."

Traders in the futures market said the dollar had been hit with the pattern of the yen again at the longer end of the market.

The June UK purchasing managers index, which rose to 100.1 from 99.9 in May, revealed signs of inflation, had a negative impact on short sterling. The futures market closed six basis points lower at \$3.71 from \$3.77.

In the UK, the Bank of England provided no assistance to the market of \$300m. Earlier it had provided liquidity of \$275m after forecasting a shortage of \$500m. Overnight money traded from 4 to 6 per cent.

In Germany, the money market traded in the 6 per cent range. The Bundesbank announced it would meet its monthly requirements.

## ROUND SPOT FORWARD AGAINST THE POUND

Jun 30	Closing mid-point	Change on day	Day's high	Day's low	One month	Three months	One year	Bank of England
Europe	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Austria	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Belgium	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Denmark	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
France	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Germany	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Greece	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Ireland	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Italy	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Luxembourg	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Netherlands	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Norway	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Portugal	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Spain	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Sweden	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Switzerland	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
UK	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
South Africa	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Japan	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
South Korea	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
India	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
China	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Indonesia	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Malaysia	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Philippines	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Singapore	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Taiwan	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Thailand	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Argentina	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Brazil	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Canada	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Mexico	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Colombia	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Venezuela	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Chile	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Peru	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Ecuador	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Guatemala	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Honduras	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Nicaragua	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Costa Rica	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Panama	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
El Salvador	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Haiti	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Dominican Republic	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Jamaica	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Trinidad and Tobago	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Guyana	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Suriname	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Paraguay	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Uruguay	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Bolivia	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Brazil	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Argentina	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Chile	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Colombia	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Ecuador	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Guatemala	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Honduras	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Nicaragua	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Costa Rica	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Panama	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
El Salvador	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Haiti	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Dominican Republic	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Jamaica	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Trinidad and Tobago	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Guyana	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Suriname	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Paraguay	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Uruguay	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8
Bolivia	17.2386	-0.0056	17.245	17.2377	17.2386	17.2386	17.2386	114.8

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jun 30	Closing mid-points	Change on day	Bid/offer spread	Day's high low	One month %Δ	Three months %Δ	One year %Δ	J.P. Morgan
Europe	17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Austria	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Belgium	(B) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Denmark	(DK) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Finland	(F) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
France	(FR) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Germany	(D) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Greece	(G) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Ireland	(I) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Italy	(I) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Luxembourg	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Netherlands	(P) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Norway	(N) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Portugal	(P) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Spain	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Sweden	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Switzerland	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
UK	(U) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South Africa	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Japan	(J) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South Korea	(K) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
India	(I) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
China	(C) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Indonesia	(I) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Malaysia	(M) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Philippines	(P) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Singapore	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Thailand	(T) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Taiwan	(T) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Australia	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Europe	(E) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
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Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
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Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
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South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Latin America	(L) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
South America	(S) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	114.8
Asia Pacific	(A) 17.2386	-0.0056	17.245 17.2377	11.2480 11.1415	17.2386 -0.1	11.2601 -0.1	11.2601 -0.1	11


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 ‡ The US list does not include theatrical stock rights and bonds are the averages of the highest and lowest values of the day's trading.  
 § Includes the average of the highest and lowest values of the day's trading.  
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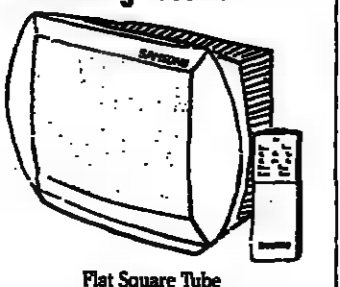
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## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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NASDAQ 300	300.12	299.87	300.00	299.87	+0.13
NASDAQ 400	400.12	399.87	400.00	399.87	+0.13
NASDAQ 500	500.12	499.87	500.00	499.87	+0.13
NASDAQ 600	600.12	599.87	600.00	599.87	+0.13
NASDAQ 700	700.12	699.87	700.00	699.87	+0.13
NASDAQ 800	800.12	799.87	800.00	799.87	+0.13
NASDAQ 900	900.12	899.87	900.00	899.87	+0.13
NASDAQ 1000	1000.12	999.87	1000.00	999.87	+0.13



## RECRUITMENT

Jobs: The way we approach our work may be governed by which part of the mind controls our thinking

## Brain power and the drive for enterprise

If you are thinking about a completely new job or taking a fresh look at your career prospects, some might suggest you should have your head examined. Not psychoanalysis, the pseudo science of reading your bumps, but an examination of which part of the brain dominates your thinking.

A group of information and technology managers and directors from large British employers, including Barclays, Tesco, the BBC and the Department of Employment did just that last week at a one-day leadership course organised by Index, the management consultancy.

The course was set up in response to a belief, outlined recently by Peter Breen, managing partner of Heidrick & Struggles, the headhunting company, that information technology directors of chief executive officer calibre are beginning to emerge in the UK.

Each of the course members had completed assessments beforehand, which measured their thinking styles. The measures were based on definitions outlined by Ned Herrmann, a sometime physicist, sculptor and later general manager in the US who developed the split-brain theories in the 1970s. While many scientists working in the

between the different qualities of the left and right sides of the brain, Herrmann combined them with perceived qualities in the upper (cerebral) and lower (limbic) brain. Thus he defined four discernible styles of thinking.

The popularity of team-working in many companies has attracted renewed attention to his ideas as organisations attempt to create the most effective teams, people with differing but ideally complimentary approaches to the way they tackle their work.

What do we mean by left-brained and right-brained thinking? Susan Straus, a Herrmann disciple and former vice-president of CSC Index, before forming her own company, Performance Resources, explains that the left and right hemispheres produce different patterns of thinking and one side tends to dominate.

The left side uses sequential processing: it looks at detail, splits the world into identifiable bits and pieces, has the power of syntax and uses logic in the grammatical stringing together of words. The right side is simultaneous processing, with the whole thing, can remember complex things

in pictures and also open-endedly.

Straus illustrated the difference with this story of two fathers, Bob (left-brained) and Harry (right-brained) who decide to buy their sons tricycles for their birthdays. Bob buys cycle dealers, scours catalogues, compares prices and checks reports. A mail order model seems cheapest and best so he orders it well in advance. Harry makes a mental note that he liked the blue bike he saw in the window.

When the package arrives, Bob puts it to one side in a space he has prepared and only gets it out two days before his boy's birthday. On the same evening Harry is asking himself: "Did I order it, and, if I did, where did I put it?"

Bob clears a space on the garage floor, gets a bag for the rubbish, takes out his Swiss Army pen-knife, scores the plastic wrapper and carefully removes the instructions. He reads them, top to bottom. Each of the components are counted out and placed in neat piles on the floor. Within half an hour, the tricycle is assembled and ready for use. Harry doesn't have a pen-knife. He clenches his fist and punches a hole through the package, tearing

off the plastic wrapper and cardboard and emptying the contents from the lounge floor. A few pieces have fallen under the sofa with the instructions.

Harry's search is short lived. He has found a little hell, just like the one he had on his own bike as a youngster. He likes the way it rings and finds that it's easy to fit onto the handle bars. Discovering the instructions, he consults the picture of the completed tricycle and adopts the traditional right-brained assembly method: if it doesn't fit, force it. In half an hour he, too, has a fully assembled tricycle... alongside a small pile of "spares".

We probably all have a bit of Bob and Harry in us when we approach our work. What Straus was doing with her IT group was to discover the extent to which either style might dominate our thinking.

Splitting the brain further in the Herrmann model, those whose thinking is dominated by the upper left brain tend to be logicians most concerned with the question "What?" Lower left-brained people are implementers or organisers who

address the question "How?" Lower right-sided thinkers deal with the question "Why?" and are perhaps best defined as collaborators. Upper-right sided thinkers are the visionaries who ask "What if?"

The team-combination of such individuals can be found in fiction if not in fact. The star ship Enterprise in Star Trek, the television series creation of Gene Roddenberry, is led by Captain Kirk, the upper-right-sided visionary who relies heavily on Spock, his upper-left-sided second in command. Scotty, the lower left-sided chief engineer, keeps the space craft going and McCoy is the lower right-sided, understanding medic who finds himself at odds with Spock. Herrmann found certain thinking profiles dominating in different kinds of jobs. Entrepreneurs are exceptionally upper-right minded. So were strategic planners but with an added inclination to the upper left brain. Sales people had strong pulls to the upper right and left. Accountants were strongly lower left minded, engineering people strongly right-sided. Development managers had almost equal tenden-

cies towards the upper right and left. Chief executives had some of the most even thinking patterns, slightly stronger towards the upper right, slightly weaker to the lower left.

Listing the business qualities evident in these different thinking modes, Herrmann suggests that the upper left-sided leader is good at gathering facts, arguing rationally, logical problem solving, understanding technical elements and considering financial aspects. A common criticism might be that he or she is "too critical and cold". Upper right-sided managers are good at finding flaws, approaching problems practically, demonstrating consistency, stability, working on time and paying attention to detail. They might be dismissed as "boring or unimaginative".

Lower right-sided managers can recognise interpersonal difficulties, understand how others feel, can integrate, and engender enthusiasm. Critics might call them a "soft touch". Upper right-sided people can read signs of coming change, recognise new possibilities, inspire and problem solve intuitively, can see the big picture.

Detractors might think they're their heads in the clouds.

Straus picked two groups of people seemingly at random, from the course participants and asked them to go to separate rooms and draw up a brief report listing what sort of work they liked best and common characteristics. In fact the groups had been chosen for their right and left-sided tendencies from their assessment scores.

Predictably the left-sided group returned punctually, while the right-sided group was late. Not only did the various attributes fit expectations, so did the way they were presented. The left-sided people produced a neat, numbered list. The right-sided had jumbled lists on two sheets of paper with crossings out.

The difficult part for organisations seeking to harness these different thinking styles is to create their own "Enterprise", Straus says. "The best quality decisions or solutions will come from perspectives that draw on all four thinking styles to produce the whole brain solution." The mistake of managers, she says, is to write people off because they think differently. "The challenge is to cover all the bases."

Richard Donkin

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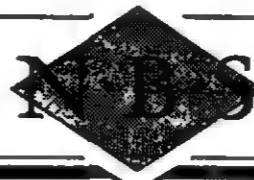
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Successful candidates will have experience of M&A and selling businesses and are likely to have graduated from the Corporate Finance Department of a big accountancy firm, the City & A department of a Merchant Bank or a Venture Capital House. Key attributes will include proven financial modelling capabilities, outstanding commercial drive, excellent communications and presentation skills. Keen sense of humour essential.

Self-motivating applicants should forward CV's to

Box No A2894, Financial Times, One Southwark Bridge, London SE1 1NL

Linguist - International Client Services  
Global Investment Management Group  
City

Our client, founded in 1919 in the US, is one of the world's largest independent investment management houses, their London office was established 5 years ago. Currently managing assets in excess of \$90 billion, core business activities include private clients, mutual funds and institutional investors. As a consequence of the growth in its offshore funds business there is now a need for a client service associate, with linguistic skills, to join the team in London.

Following a rigorous selection programme, as part of which will be conducted in the US, you will be required to deliver a high quality telephone support to a group of selected broker dealers and institutional investors based predominantly in America and Europe.

Aged in your 20's and ideally a graduate, it is essential that you are fluent in English and one or more of the following languages: German, French, Spanish or Italian. Knowledge of the investment sector, particularly unit trusts would be a distinct advantage. You are self-motivated, hard working, ambitious and committed to providing the highest quality service at all times.

In addition to the basic salary, bonus and fringe benefits, career opportunities in client servicing or marketing are excellent. To apply, in strict confidence, please write quoting reference 1024 to Fiona Law at FLA Ltd, 211 Piccadilly, London W1V 9LD. Tel: 071-738 9732. Please ensure that your application reaches us by Friday July 22nd 1994.

FLA  
SEARCH, SELECTION  
AND CONSULTANCY  
SERVICES



At the Royal Bank of Scotland, our commitment to technology is having a remarkable effect on business efficiency, our service and, as a result, our profitability.

With the focus on anticipating and meeting the demands of the business, we are making a substantial investment in developing systems throughout the Bank. We live in a fast-moving, competitive world, however, and success today cannot guarantee prosperity tomorrow. Which is why we need forward-looking IT specialists like yourself.

We are offering an immensely challenging and rewarding role.

You will develop strategies for technical infrastructure across all hardware, systems software and networks. You'll identify the optimal technical architectures and align our IT resources to the business and, in particular, the steps necessary to reach the target.

Your vision will be based on around 10 years' experience with a large IT in a complex processing environment underpinned by a strong technical architecture.

don't want you simply repeat your past successes. We anticipate that you will deliver solutions which are original, perceptive, informed and realistic. Your background is likely to

to complex questions, some of which have yet to be asked. Based in Edinburgh, the position commands a salary of up to £45,000, with a company car and a range of banking benefits, including relocation.

For an informal discussion, please talk to our executive recruitment consultant Paul Atkinson, on 031-467 8000 (or evenings and weekends).

To apply, write to Paul with full career details - quoting Ref. 13699/FT - Metier Professional Recruitment, 9 Rosebery Crescent, Edinburgh EH12 5JP. Fax: 031-313 2456.

Committed to Equal Opportunities

**The Royal Bank of Scotland**  
WHERE PEOPLE MATTER

"You'll face the challenge of finding the answers, but you'll also have still to be asked"

**IT STRATEGIST / SENIOR CONSULTANT**  
£45K CAR - BENEFITS  
BASED EDINBURGH

include architectural development and you will display strong technical ability, derived from exposure to client/server, large IBM mainframe implementations and other distributed platforms. Motivation, creative thinking, strength of purpose and confidence in your own ability - combined with excellent communication and interpersonal skills - are the essential personal qualities. Above all, you will enjoy the challenge of finding

## Manager - Investor Relations

LIFFE is Europe's leading marketplace for the trading of financial futures and options, and offers a more comprehensive range of products than any other exchange in the world. With exchange membership and client activity on the rise, trading continues at record levels. As a result, we need to fill a key front-line marketing role within our Business Development function, which will promote LIFFE and its products to investors and end-users.

Travelling widely, you will concentrate on developing broker relations throughout Europe and the Far East, liaising directly with the broking community and, in particular, the institutional sector. You will also manage the activities of a team of two, one of whom organises promotional events in continental Europe, while the other concentrates on research in fund management.

This high-profile position calls for proven fund management experience as well as a background in financial marketing and/or promotional activity. Naturally, your interpersonal and presentation skills must be of the highest. Language ability, especially German, would be a distinct advantage.

A highly competitive salary and benefits package will be available for the right candidate. Please apply, enclosing your full CV details of present remuneration, to Deirdre Saliba, LIFFE, Cannon Bridge, London EC4A 3DF, quoting ref: M/R.

**LIFFE**

The London Financial Futures and Options Exchange

## SIB Retail Markets

The Supervision of Retail SROs department at the Securities and Investments Board (SIB) aims to ensure that Retail SROs provide high standards of investor protection.

As part of that department the Review Unit, assesses the quality and effectiveness in practice of the SROs regulatory functions, by carrying out continuous programmes of observation and assessment, on site. This includes case file reviews, interviews with SRO staff, direct observation and/or participation in regulatory activities and analysis of working procedures.

Two positions have arisen within the department:

### Head of Review Team

The post holder will be responsible for on-site reviews of the SROs regulatory performance and effectiveness. He/she will work in co-operation and respect from the SRO, and contribute positively to improved SRO performance. Heading a team of five, he/she will establish and maintain high working standards. Applicants should be chartered accountants whose background could include several years experience of managing audit/investigative work and either evaluation of business performance, financial services or regulation. They must have working knowledge of the retail financial services industry, its players and products.

Both positions require team players with an aptitude for critical analysis and excellent communication skills, both written and oral. Interested applicants should contact Anna Williams for an information pack, at Michael Page City, Page House, 39-41 Parker Street, London, WC2B 5LH. Telephone 071 711 2000. Closing date 8th July 1994.



**Michael Page City**  
Consultants  
London Paris Amsterdam Düsseldorf Sydney

### Team Member

The team member will undertake reviews of SRO regulatory procedures, recording findings, preparing evaluation reports and drawing up recommendations for future action by the SRO. He/she will include inspection of case files, interviewing SRO staff, observing activities and participating in monitoring visits to member firms. Applicants should either be qualified accountants with some financial services experience or have a background in compliance or as a practitioner in the financial services industry (preferably qualified to an ACCI standard).

## SAMUEL MONTAGU Member HSBC Group Specialised Financing

EXECUTIVES - Age 23-28

Samuel Montagu is the UK European merchant banking subsidiary of HSBC Holdings plc, one of the largest and most strongly capitalised financial services organisations in the world. Samuel Montagu's Specialised Financing Division provides clients with a broad range of bespoke financial services in areas such as Acquisition Finance, MBO/MBI Finance, Merger Finance, Tax Based Finance, Syndicated Lending & Banking Advisory. It has a broad range of clients in both the UK & Continental Europe. As a result of increased activity the Division now seeks to recruit experienced professionals.

The successful candidates will join established business teams and provide analytical and marketing support to senior managers and directors. The ideal candidates will be credit trained graduates with 1-2 years banking experience and should be familiar with complex financial modelling techniques. Strong interpersonal skills are a prerequisite and fluency in another European language would be an advantage.

These positions offer excellent career prospects for ambitious young professionals seeking a move to a more challenging sector of the financial markets. The positions also offer a competitive remuneration package including the full range of banking benefits.

Interested candidates should contact Niall Macnaughton at SRM Selection on 071-248 3653 or write, sending a detailed Curriculum Vitae, to the address below. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

Tel: 071-248 1511 Fax: 071-248 2814



## Head of Treasury - New York

Bank of Ireland Group Treasury is Ireland's leading provider of treasury services. From our strong domestic base we have developed a very successful international network with offices in New York, London, the Isle of Man and Jersey.

As part of our continuing commitment to international development we are seeking to recruit a replacement for our retiring Head of Treasury in New York. This senior position demands a high calibre individual with a wide variety of skills. Candidates should have extensive dealing experience in a broad range of financial markets, treasury management and motivational skills and have the foresight and creativity to continually develop and progress our business in the United States.

The ability to achieve income targets and manage risk will also be an integral component of this position.

We offer a highly competitive remuneration package which reflects both the demands and importance of the position. Successful candidates will receive a detailed curriculum vitae in strict confidence to: Mr F.J.H. Healy, Head of Personnel, Bank of Ireland Group Treasury, La Touche House, IFSC, Dublin 1, Ireland, by Friday 18th July, 1994.

**Bank of Ireland**  
Group Treasury



100th Anniversary INSTITUTION OF THE YEAR

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For further  
information  
please call:

Gareth Jones  
on 071 774 3779

Andrew  
Skarzynski  
on 071 873 4054

Philip Wrigley  
on 071 873 3351

## DEEP THOUGHTS FROM ABROAD

There's little that goes on at STC Submarine Systems which doesn't require original, deep thinking. Our sub-sea cable systems carry the conversations of the world at the speed of light, deep below the oceans' surfaces. We operate at the edge of known fibre optic technology.

Just as the technology behind the systems requires original thinking of the highest order, so does the financing of their £multi-million projects. Each order is unique, and requires a tailored financial structure to be put in place. As Treasurer, your role is to engineer these structures.

We are looking for someone with several years' experience of financing major projects overseas, who is used to dealing with the highest commercial and government tiers. You must have an in-depth knowledge of ECA finance, particularly ECGD buyer credits; you'll understand risk analysis of foreign currency contract pricing and you'll be familiar with the control and monitoring of bank limits and the management of corporate foreign currency books.

But beyond the technical skills, you'll have the wit and nimbleness of thought to create an expert financing deal, even if, in theory, no such deal seems in reach.

The scope of this role is enormous; the position is there to make your own. The prospects of career progression within the £multi-billion group are considerable.

We are offering a full benefits package, including fully expensed car, BUPA, pension and relocation.

To apply please send your CV to Vicki Kearney, STC Submarine Systems Limited, Christchurch Way, Greenwich, London SE10 0AG. Closing date: Friday 8th July 1994.



### Export Finance Officer £NEG

AAA-rated European Bank, expanding its structured Finance department requires an export finance officer with a minimum of 3 years experience of marketing to and negotiating with major corporates. Aged 25-32, successful candidate will be a graduate to a qualified, computer literate with knowledge of ECA and other export finance techniques.

### Manager Loans Syndications £30-35,000

Several vacancies exist for candidates with experience of marketing to corporate and/or financial institutions, credit skills and exposure to syndications and asset sale techniques. Our clients take progression seriously and contributions to the business will be rewarded with performance related compensation and continued scope for advancement.

For further details please contact Peter Revell, Associate Director or fax CV on 071-638 2738

GORDON BROWN & ASSOCIATES LTD RECRUITMENT CONSULTANTS  
5th FLOOR, 2 LONDON WALL BUILDINGS, LONDON EC2M 5PP. TEL: 071-628 7501 FAX: 071-638 2738

**Gordon Brown**

### SALES EXECUTIVES -

Financial Marketing/Investor Relations  
Substantial package + benefits London Based

Techniques is a global provider of customer information to the corporate and financial markets. Our clients include household names who rely on our research to reach their target audiences.

As our markets expand, we aim to recruit additional sales professionals to cover the UK, France, Germany and South Africa. Successful candidates will be degree educated, entrepreneurial in spirit, goal orientated and computer literate. Fluent French or another foreign language will be a pre-requisite for two of the positions. A minimum of three years business to business marketing experience would be a distinct advantage.

Candidates will be expected to travel frequently to their markets, and the work will focus on:

- New business development at senior executive level
  - Account management to maximise customer satisfaction and profitability.
- You will need the ability to anticipate client needs within corporate investor relations departments and banking houses, and to deliver effective solutions. Within our young and dynamic team, we value individual initiative and strong communications skills which we consider key to our continued success.

Please send your Curriculum Vitae and covering letter to:

Ms. Clara Scallan, Technometrics, Inc.,  
24 Newman Street, London W1P 3LD  
TECHNOMETRICS, INC.  
A KNIGHT-RIDDER COMPANY

### THE ESTIMATE DIRECTORY Continental Europe

#### Editor Required

A brilliant job for someone who knows all about European Equities and meeting frenzied deadlines. You would like to work for an Edinburgh-based company that is fun, challenging and a dynamic force in financial publishing.

Send us your CV and salary details to Justin Willey at Edinburgh Financial Publishing, 111 Randolph Crescent, Edinburgh EH1 7TT.

## ECONOMIST

Unique opportunity to join a highly successful international fixed income fund management team with potential for equity participation

Our client has established an excellent reputation in the international fixed income market and, with nearly £ billion under management, has a growing number of North American and European clients. As a small London based team they now need a high calibre economist to play a key role in increasing the depth of their market analysis and to contribute to the client's success.

Candidates will be in their late 20s or early 30s with excellent economic training, particular experience in international economics and an understanding of the dynamics of the fixed interest markets. This could have been gained within an economic research organization or in a financial institution. Candidates must demonstrate strong analytical ability, creativity in the interpretation of economic forecasts and clear verbal presentation of ideas.

For an initial discussion in confidence please contact us quoting reference 4960 at 20 Cousin Lane, London EC4R 3TE. Telephone 071-236 7307 or Fax 071-488 1111

**STEPHENS  
SELECTION**

STEPHENS GROUP CONSULTANCY  
London Edinburgh New York Hong Kong

### MIDDLE EAST OPERATIONS MANAGER

Our client is a major Middle East bank currently undergoing a significant re-engineering project within its Operations Division.

Candidates should be aged 30-40 years with hands-on experience of refining and developing the processing and automation functions of L/C's, collections and credit administration. Exposure to centralising retail operations would be an advantage.

Please forward detailed CV's to Brian Jarvis at the address below.

Jonathan Wain & Co. Limited, Remedial Recruitment Consultants  
No. 1 New Street, London EC2A 4TP Tel: 071-625 1266 Fax: 071-625 5259



SAMUEL MONTAGU

Member HSBC Group

## CORPORATE FINANCE

EXCELLENT

### CITY

Samuel Montagu is the UK and European merchant banking subsidiary of HSBC Holdings plc, one of the largest and most strongly capitalised financial services organisations in the world.

The Corporate Finance department has an unrivalled reputation for its creative approach to financial opportunities. This ability is derived from the experience of a highly professional team. The department offers a wide range of companies throughout the

UK and internationally. With the HSBC Group's substantial resources, Samuel Montagu has the capacity to underwrite and finance transactions of all sizes.

The company wishes to recruit two, experienced, high-calibre corporate financiers. The successful candidates will:

- have gained 2-5 years' corporate finance experience in a major merchant bank/financial institution
- possess the necessary commitment and drive to succeed within a team based environment

ROBERT WALTERS ASSOCIATES

### FORMER SOVIET UNION & THE BALTIC STATES

The UK Know How Fund is sponsoring technical assistance projects to assist the development of major banks in a number of countries in the former Soviet Union.

### Senior Bankers

You will be placed in each of the banks for periods of between 1 and 2 years. Specific duties vary from bank to bank but all involve providing advice and assistance to the bank, at director level, with reference to lending.

A credit trained senior banker, ideally you will have general management experience and a knowledge of Russian or other relevant language would be an advantage but is not essential.

An ability to adapt to a different cultural environment together with a desire to assist in the transition to a market economy are fundamental. The posts have reasonable remuneration together with an allowance to cover expenses including accommodation. If required the posts could be on the basis of secondment from existing employment.

Applicants should either be nationals of Member States of the European community, nationals of Economic Area Member State (i.e. Austria, Finland, Iceland, Norway or Sweden) or Commonwealth citizens who have the established right of abode and right to work in the United Kingdom.

Closing date for receipt of completed applications is 13 July 1994.

If you are interested in meeting this challenge please write including a full curriculum vitae, indicating any constraints on location or remuneration requirements to Mrs A. McColl, Ref AH369/MC/FT, Abercrombie House, Regent Road, East Kilbride, Glasgow G75 5JH.

ODA is committed to a policy of equal opportunities and applications for these posts are sought from both men and women.

ODA

OVERSEAS DEVELOPMENT ADMINISTRATION  
BRITAIN HELPING OTHERS TO HELP THEMSELVES



## European Securities Research

### Competitive package

Kleinwort Benson is one of Europe's most successful merchant banks offering a comprehensive range of financial services to an impressive and continually expanding list of clients. Our Securities Arbitrage desk is seeking a research specialist to analyse European Equity and Bond markets. The successful candidate will have clear understanding of the fundamentals driving the European securities markets and will be familiar with asset allocation theory. They will also be comfortable with software packages including Excel. Core duties will include, daily analysis of specific markets, liaison with the trading desk in order to advise on strategy and new methods of analysis, maintaining, updating and creating databases including programming and ad-hoc projects as and when required.

Applicants will have a strong mathematical background, educated to degree level together with some programming knowledge preferably Visual Basic. Strong interpersonal skills and the ability to work to tight deadlines in this hectic continually changing environment are pre-requisites for this position.

Applicants should apply to Julia Pomerance, Personnel Department, Kleinwort Benson Limited, RQ, Box 560, 20 Fenchurch Street, London EC3P 3DB.

Kleinwort Benson Limited

### Forex Customer Advisor

Olsen & Associates is a Zurich based research institute for applied economics providing a real-time decision support tool for foreign exchange dealers. We are seeking a Forex Customer Advisor to support our expanding customer base.

As our newest Forex Customer Advisor, you will be in contact with clients world wide on a daily basis, provide active trading support, respond to customer's questions and problems, keep your clients abreast of the latest developments and provide customer training. You'll be part of a young, dynamic team, with a great deal of freedom for independent work and opportunity for advancement, and your close relationship with customers will provide a unique opportunity to affect customer satisfaction and the company's future development.

The successful candidate will be young, with a solid background in banking, several years experience as a foreign exchange trader and/or investment advisor, and in-depth knowledge of the Forex market. This responsible position requires initiative, creativity, independence, enthusiasm, flexibility, a well-developed sense of personal responsibility, strong interpersonal skills, and a professional appearance. Fluency in English is required.

Please send a detailed CV to: Ms. Irene Jones, Olsen & Associates AG, Seefeldstrasse 233, CH-8008 Zurich, Switzerland. Interviews will be conducted in London or Zurich. Workplace will be Zurich. Olsen & Associates is an equal opportunity employer.



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### PORTFOLIO MANAGER LONDON PACKAGE NEGOTIABLE

A long established medium sized City Stockbroking firm is expanding its current activities and creating a Fund Management subsidiary. This has opened up an exciting opportunity for an imaginative and creative Fund Manager with proven skills who wishes to be involved in the development of a new company from a strong base. A directorship together with a possible equity involvement will be available to the right candidate.

The successful applicant will have an excellent track record and an ability to communicate at a high level. Please send full CV and personal details in confidence to:

Box A2090, Financial Times,  
One Southwark Bridge, London SE1 9HL

### FX TRADER - AFRICA & LATIN AMERICA

Recently established London branch of specialist US merchant banking firm (est. 1980) seeks trader. Existing book of clients a plus. Minimum 3 yrs experience dealing soft currencies. Excellent salary + bonus - commensurate with experience.

Mail CV to: OMNI, 57 Grosvenor St., Mayfair, London W1X 9DA.

### Key Banking Appointments

New Venture

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One of the most known Scottish financial institutions is continuing its strategic development by establishing a banking subsidiary (subject to regulatory approval). With an immediately profitable business and detailed growth plans for the future, it will be a successful and high profile innovation in the industry. Two appointments, reporting directly to the Managing Director, will complete the senior management team:

### Finance/Operations Director

To play a full and active role in the financial management of the bank with particular responsibility for controls, systems, compliance and regulatory matters. Candidates will be qualified accountants from the banking sector who have already had substantial senior experience in all key areas and who would have the opportunity to develop and build a new business.

### Treasurer

To lead all bank management, foreign exchange and credit activities and with particular responsibility for product development. Candidates will be well experienced in the management of the market and will be highly motivated and calculating - controllers rather than speculators.

Candidates are likely to be most attractive to those currently earning at least £50,000 and, in each case, there will be a comprehensive benefits package including a quality car and relocation assistance to Edinburgh. Please reply, in confidence, with full career details to Stuart Macintyre, adviser to the company, at Thomson Partners Ltd, 1-11 Hay Hill, Berkeley Square, London W1X 7LF or 14 Sandyford Place, Glasgow G3 7NB.

Thomson Partners

Search and Selection



### Fund Manager

UK Fixed Interest

Our client, a major international asset management firm with an ambitious strategy for growth, has an interesting career development opportunity for a young investment professional to join its highly successful UK fixed interest managing team. The successful candidate will be a graduate with a degree in a numerical discipline with a strong approach, excellent communication skills and 2-5 years' meaningful experience in a fixed interest research, sales or management capacity. The initial salary will be tailored to the capabilities and experience of the

person appointed but will include responsibility for bond selection, the management of portfolios and some client reporting duties. The salary and benefits package offered will be commensurate with experience and will include a substantial performance bonus element. This is a highly focused, friendly and successful team and, to apply, candidates are invited to write to: IMR Recruitment Consultants, No.1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW (tel: 071 572 5447).



INVESTMENT MANAGEMENT RESOURCES

### EUROPEAN SALES AND MARKETING EXECUTIVE

City

Attractive Package

Thornton specialises in Asian Equity investment management and seeks a European sales and marketing executive to join an established team.

Responsibilities include sales of all Thornton products and assisting in the development and launch of new financial products for the European market.

The successful candidate will have worked within the fund management/stockbroking industry for at least 3 years, either in a similar role or as a stockbroker, analyst or fund manager. Previous experience of emerging markets, especially Asia and Latin America, is desirable. The ability to travel frequently and have a good knowledge of one European language is essential.

The compensation package includes a competitive salary, dependent upon previous experience, non-contributory pension, medical insurance and permanent contract.

Please write in confidence with full career and salary details to:

Mr L. Merry, Personnel Officer,  
Thornton Management Ltd,  
Swan House, 11 Queen Street, London EC4R 1AX.

THORNTON

## TURKISH BUSINESS DEVELOPMENT OFFICER

A major European Financial Institution seeks a Turkish Business Development Officer for its London Emerging Markets Group.

The successful candidate will have a minimum of 5 years' relevant financial experience in Turkey, including working with Turkish Treasury/Foreign Trade Department and covering recent privatisations, and will be at ease dealing with Government officials and Chief Executives in major industries there.

He/She will need first class academic qualifications (preferably to second degree level) in a relevant discipline, and will offer perfect fluency, written and spoken, in Turkish and English, being able to conduct business in both languages. Fluency in further European languages would be a considerable advantage. Confidential enquiries should be addressed to GMBM, 27 Floral Street, London WC2E 9DP.



DUNEDIN  
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## HILL SAMUEL INVESTMENT MANAGEMENT

### Fund Management Professional for European Client Support

Managing c.£12 billion of funds internationally, Hill Samuel Investment Management is dedicated to providing excellent client support and to developing business throughout the world.

With expanding demand for our international investment services, we are building our team and looking for a Client Support Manager who will play a key role in developing and maintaining joint venture partnerships in Europe.

Essentially, the task is to manage and nurture client relationships, co-ordinating our supply optimum solutions to client needs.

You will almost certainly have international fund management experience, a degree and at least one other European language, ideally Spanish or Italian. The personality and credibility to establish yourself in our team is almost as important as the ability to maximise client relationships.

Salary and benefits package negotiable - £35,000. Based in superb offices near St. Pauls.

To apply, please send a full CV to Response Manager, Barkers Response Assessment, 11 Farringdon Street, London EC4A 4EA, quoting reference HSM/AS. Closing date: 15 July 1994.

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## GERRARD VIVIAN GRAY

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### Private Client Research OVERSEAS ANALYST

Gerrard Vivian Gray is a leading private client stockbroking/fund management house, wholly owned by Gerrard & Co. Holdings PLC. The firm wishes to recruit an analyst to work in the overseas research analyst. The Department serves a large number of private brokers/fund managers and plays a key role in setting investment strategy and stock selection for client portfolios.

The successful candidate will be a graduate with at least 3 years research investment experience with a stockbroking/fund management house. Experience of US and/or European markets is preferred with the ability to produce clear and concise reports from a broad range of inputs. He/she should also have the flexibility to succeed in a small team.

Company benefits include: Profit related bonus, health insurance, permanent health insurance, sports club membership, interest free season ticket loan and competitive salary.

Please reply in writing to Peter Jones, Burne House, 11 High Holborn, London WC1V 6LS.

### APPOINTMENTS WANTED

#### CEE/CIS Specialist

career-track equities analyst or business development position with international bank or funds

Reading\* abilities: Czech, Russian, Croatian, French. Two years directing Czech enterprise startup. Masters International Management (Finance with Honors). History and studies. Ten years as market analyst and trade journalist (food industry). Flexible to relocate and travel.

Contact: Mr Khring, Vapourco 8, 147 60 Praha 4, Czech Republic. Tel: (42-2) 42-41-22 Fax: (42-2) 42-41-21

### EUROPEAN SALES MANAGER

Global Financial Information Company

Competitive Package London Based

We are a successful and well-established financial data company, with global operations serving a number of international clients.

The continued growth of our business requires a sales manager to join our European office in London to lead an entrepreneurial and goal-oriented team as the company enters a new and exciting phase in its development.

The position entails full responsibility for sales team management, including planning, monitoring and strategic direction as well as maintaining existing markets and identifying new ones.

The successful applicant for this role will have:

- Developed sales management and team building skills
- Computer literacy and familiarity with multi-media delivery systems.
- The ability to present new ideas and concepts at board level
- The energy, enthusiasm and flexibility to lead within a multi-national team

Please send your CV and a covering letter to:

Box Number A2091, Financial Times,  
One Southwark Bridge,  
London SE1 9UL.

### MANAGER, FINANCIAL SECTOR Jersey

We are a leading firm of international moneybrokers and require a senior individual in the corporate banking/brokerage sector to manage our Jersey office in St. Helier. Successful applicants will have international experience and a local resident is preferred. In return we offer competitive remuneration and benefits.

Applications should be made in writing enclosing a current CV to: Mrs G Pearson, Personnel Officer, M W Marshall (Financial Services) Ltd., 1 Portoken Street, London E1 8DF. Closing date 6th July 1994. No agencies.



### INVESTMENT STRATEGIST

We are looking for an investment strategist to cover the world's big financial markets in equities, bonds and currencies. Working as part of a two-person team, the challenge is to develop coherent investment strategies and explain them clearly and entertainingly to readers who are not experts themselves. Knowledge of the markets is an essential, as is an enthusiastic and flexible approach.

Please send CV and hand-written letter to: Carl Jones, Editor, Investors Chronicle, Greyhound Place, Fetter Lane, London EC4A 3UD

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### HEAD OF FINANCIAL INSTITUTIONS GROUP

A major South African bank seeks an executive to manage its Financial Institutions Group based in the Johannesburg Head Office.

This senior appointment requires an experienced banker, with specific knowledge of this area of business, who will be capable of expanding the activities and profitability of the group whilst monitoring existing relationships with c. 1500 banks.

An excellent package including relocation expenses is offered.

Applications, including full details of career to date and current package, which will be treated in the strictest confidence, should be sent to:

Box A2093, Financial Times, One Southwark Bridge, London SE1 9UL



### GRANTS CONSULTANTS

Eurofi was established in 1980 and is the largest independent consultancy specialising in State Aids, EU Funding and legislation.

are large international operating, or intending to operate, within Europe.

Our consultancy advises on securing EU and Government grants for capital investment and research development projects. Eurofi publishes reference books on grants and EU legislation including "Guide to European Community Finance and Loans."

#### ADDITIONAL CONSULTANTS ARE REQUIRED TO SUPPORT OUR GROWTH IN CONTINENTAL MARKETS AS WELL AS TO SUPPORT OUR UK CONSULTANCY

will be ambitious professionals, financially numerate, have a successful record of advising major corporates and possess the maturity, confidence and communication skills necessary to deliver strategic Board level.

The nature of the work requires mobility and a total commitment to providing the highest standard of service to clients. Fluency in at least one European language is preferred.

Candidates are invited to send a CV and supporting letter to the:

Chief Executive

Eurofi House, 37 London Road, Newbury, Berkshire, RG13 1JL  
Tel: +44 (0) 635 6171 Fax: +44 (0) 635 37370

### FT/LES ECHOS



THE COMMISSION OF THE EUROPEAN COMMUNITIES  
is organising a competition (COM/B/765) based on tests, to recruit a number of

### ADMINISTRATIVE ASSISTANTS

for work in the following areas:  
• Customs • Indirect taxation

If you are a national (male or female) of one of the twelve Member States of the European Community, and are interested in working in the challenging and stimulating atmosphere of an international organisation, check if you satisfy the following conditions:

- You were born in one of the twelve Member States of the European Community and obtained at least 20CE "A" levels or 11 Scottish Higher passes; • have at least 11 years' experience in one of the above-mentioned areas; • have a thorough knowledge of one of the official Community languages (Danish, Dutch, English, French, German, Greek, Italian, Portuguese or Spanish) and a satisfactory knowledge of a second of these languages.

Successful candidates can expect to work in Brussels or Luxembourg.

Applications must be made on the official application form, which together with full details of competition, can be obtained by writing, preferably on a postcard to: Commission of the European Communities Recruitment Unit - ref. COM/B/765, rue de la Loi 200, B-1049 Brussels

Or Commission Offices:

LONDON: Commission of the European Communities Office in the United Kingdom, Jean Monnet Centre 8 Storey's Gate - London SW1P 6AT.  
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# Lawson lifts the veil on professional issues

Andrew Jack talks to the new president of the Institute of Chartered Accountants in England and Wales

Two years of bombardment by the headquarters bureaucrats at Moorgate Place in London have clearly not yet had their full intended crushing effect on the new president of the Institute of Chartered Accountants in England and Wales.

Chatting to the FT earlier this week while "minded" by Andrew Colquhoun, secretary and chief executive of the Institute, Roger Lawson allowed his official presidential veil to slip periodically - and without much forced tugging.

It is not that Lawson has managed to entirely clear his agenda. Barely settled into his office since starting in his role earlier this month, our conversation was squeezed in between an interview with another journalist and a lunch with John Williams, the Welsh secretary.

Some of his predecessors certainly been known to succumb to the ministerial "red box" trick beloved of civil servants: drowning their bosses beneath torrents of irrelevant paperwork.

Within the institute, there is the additional risk from the gallons of drink at innumerable receptions and dinners, leaving little time to develop personal visions - let alone the chance to implement them.

But Lawson is certainly willing to offer contentious views. "It is entirely appropriate that there should be greater transparency from accountancy firms for buyers of services as they can be satisfied of the financial strength or otherwise of the people with whom they are doing business," he says in a swipe at the firms' tradi-



Roger Lawson: contentious views

onal refusal to disclose their accounts.

"Of course any action along these lines would be up to the member firms themselves to take," Colquhoun hastily interjects. "The institute would only be involved in prescribing activities if there was a clear public interest issue."

On other topics, a more familiar institute line quickly emerges. "The legal claims against accountants are completely out of proportion," Lawson says, echoing standing policy which calls for lobbying to repeal company law to allow auditors to cap their liability.

In the same vein, he says there is no tension between the "dual roles" of the institute: as both trade association for its members and regulator in the public interest. "These roles have

co-existed for one hundred years," he says. "I do hold the official line."

The defensive barriers also go up on the institute's disastrous investment in Accountancy Television, which fell into the hands of the receivers. "It's an unhappy episode," Lawson says. "We were trying to create a medium for our own members and others. We believed it was the way education was going to go."

Soon, no doubt, there will be letters to newspapers and magazines (signed by him though often penned by officials) taking the establishment line against some attack or other on the reputation of the profession.

Asked about whether he is concerned about "lowballing" or predatory pricing as larger firms undercut their smaller rivals in tenders for work, for example, he replies that it is something already considered by the chartered accountants' joint ethics committee.

Even so, there is a Lawson twist. "It is an issue about which we remain nervous," he says. "Any firm that puts in a price must demonstrate that it does not compromise on quality or it could be subject to reprimand."

Colquhoun adds that the committee would have preferred to take a stronger line, but was held back at the insistence of the Office of Fair Trading, which apparently claimed interference in pricing by the institute would have interfered with competition.

Like all those before him, Lawson has a list of ideas for change during his time in office. His first is restructuring the professional bodies - reducing the existing six leading organisa-

tions to one, with regional and functional arms. "It was appropriate 25 years ago and it is still appropriate," he says.

He argues there may be a need to make the case for reform more clearly, particularly to younger members. "We're being unblinkingly cautious in our approach so far. It would be a shame if we didn't grasp the opportunity. I am sorry not to use more passionate, emotional words but this is a case based upon logic."

Lawson's second target is to improve the image of chartered accountancy. "We've got to get the branding right, to make sure the public are aware of the rigorous training of the qualification and distinguish it from non-qualified people," he says. This will involve publicity to students and employers, and persuading local practitioners that they can provide "added value" to their clients.

His third aim is to review the technical provision of the institute: to respond to changing issues, ensure that members remain competitive, and support the role of the Research Board that funds academic work.

Finally, he talks about the need for internal changes to the institute to understand its members' needs. "We need to move from a Whitehall mentality to being a more market-driven organisation," he says as Colquhoun (an ex-Foreign Office civil servant) sits quietly. "I'll be tinkering at the edges rather than carving the place up," he adds reassuringly. "Consensus management is vital."

None of these topics is perhaps as happy as one of those of the president before last, Ian Platow: that

on disciplinary matters, the institute should be "firm, fast and fair". Such catchphrases can have the habit of returning to haunt their authors. The jury is still out on whether this aim has yet been achieved.

Lawson concedes that a recent defeat in the courts of the profession's joint disciplinary scheme - which was attempting to bring Price Waterhouse's audit of the Bank of Credit and Commerce International - could spell the end of self-regulation. On audit regulation too, he sees the need for "a slightly lighter touch" from inspectors.

One reason for his slightly unorthodox views is an unusual background. Until the second world war, the by-laws of the institute expressly forbade a chartered accountant outside public practice to take senior office. He is now the fourth member from business to inherit the top seat.

During his year in office, he remains on the staff (the second-longest serving person after a secretary) as a director of St. the venture capital company, which he says is "fully supportive" of his activities.

Equally important, Lawson is the first president to have won his place in a contested election. In the past, any list of contenders for the throne was whittled down in smoke-filled rooms, before a single name was placed for ratification in front of the institute's council.

"I think the election has given me a greater degree of confidence than I otherwise would have had if I had arrived here because it was Buggins' turn," he says. "I will stand up and say what I believe."

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You are likely to be aged 25-30 and will possess a GCAB recognised Accountancy qualification. In addition, you will have

a minimum of 12 months Computer Audit experience gained either within public practice or a Commercial/Public organisation. Personal attributes will include an enquiring mind, developed written and verbal communication skills and a commitment to deliver high standard, professional work to tight deadlines.

In return, PW can offer outstanding training and development prospects. Your remuneration package will be competitive, based on experience.

If you feel you are ready for this challenge please send your application, including a comprehensive CV, to Rosalind Myles, Price Waterhouse, No.1 London Bridge, London SE1 9QL.

**Price Waterhouse**

OFFICES IN: LONDON • ABERDEEN • BIRMINGHAM • BRISTOL • CARDIFF • EDINBURGH • GLASGOW • HULL • LEEDS • LIVERPOOL • MANCHESTER • NOTTINGHAM • NEWCASTLE • NOTTINGHAM • READING • ST. ALBANS • SOUTHAMPTON • WINDSOR • ASSOCIATES FIRM IN WELAND, THE CHANNEL ISLANDS AND THE ISLE OF MAN

Price Waterhouse is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

## INVESTMENT BANKING

## Career Opportunities in Financial Control

Product Accounting • Regulatory & Risk  
Management • Financial Accounting • Special Projects/Business Analysis

Barings is a long established, international financial services group, providing a range of financial services to our clients who include governments, international agencies, industrial companies and private individuals.

Our investment banking arm comprises the merchant banking business of Baring Brothers & Co., Limited and the international securities trading and broking business of Baring Securities Limited. Our culture is characterised by independence, service quality and innovation.

We are looking to recruit a number of AGAs with a Top 5 firm background to join our Financial Control team. You may have recently qualified or have up to three years' PQE. In whichever role you join Barings, you will be based initially in London; but for the right individuals we can offer progression opportunities both here and abroad in an expanding network of offices.

We seek individuals with an impressive academic record, initiative and the willingness to learn and develop. Enthusiastic and ambitious,

you must be able to function effectively individually and as part of a team. A confident communicator, with well developed interpersonal skills, you have the capacity to become fully involved in broader issues.

You will find the Barings culture demanding, yet supportive, and benefit from a flat, lean organisational structure and a significant on-going investment in technology. However, in a business where the people make the difference, we do expect you to make a full commercial and personal contribution.

The rewards include a competitive salary and benefits package, including private medical insurance, non-contributory pension scheme and discretionary bonus; we expect that the opportunity of gaining a broad insight into our business will be just as important as the right candidates. This is an excellent entry point into a diverse and expanding business.

In the first instance, please write with full details and salary details to Ruth Norman, Personnel Department, Barings, 8 Bishopsgate, London EC2N 4AE.



BARINGS

## RE-ADVERTISEMENT

Management & Operations Accountant - Aviation  
Salary £27,500 pa

We are a fast growing service company in the field of Aviation. We urgently need an enthusiastic qualified accountant to fill the above vacancy. You must be a graduate qualified CIMA with relevant experience of at least 3 years. You must be able to speak Arabic, have a strong academic record, excellent communication skills and a positive commercial outlook.

Reporting to the MD, you will be expected to work on your own initiative, to have the authority and confidence to make key decisions within the organisation and to interact with our clients at executive level.

Applications are receivable by the 15th of July 1994. Shortlisted candidates will be interviewed on the 16th of July 1994. Previous applicants may reapply.

Please write or phone for an Application form, detailed job description and specification to Miss Lisa Jackson at: Cavendish Ltd, 6th Floor, 9 Cavendish Place, London W1M 9DL. Tel: 011 637 3773

INVESTMENT BANKING OPPORTUNITY  
CIMA QUALIFIED  
£25 - 30,000 + MORTGAGE SUBSIDY

Our client is the investment banking arm of one of the most prestigious banks in the world, based in London and with branches in many other countries. Having recently increased profits in recent years, the firm's expansion has resulted in this opportunity for a CIMA qualified accountant, aged between 24 and 28.

The successful candidate will have either a financial services or manufacturing background and be conversant with Lotus/Excel to a high level. Experience of cost accounting analysis is essential.

For more information, please call Judith Bradley or fax your CV on the number below.



PARKER BRIDGE

Address: 122 Haverhill Street, London E1 6JF  
Tel: 011 252 4444 Fax: 011 252 4444

an exciting newly created role - international securities group...

## HEAD OF PRODUCT CONTROL

Drive, motivation, commitment and highly developed analytical skills, are the essential qualities needed to fulfil this key role in one of the world's foremost investment banking institutions.

Within the already established Frankfurt operation, this new position will involve an experienced accounting professional to develop and restructure both the systems and reporting approach in a highly sophisticated and dynamic environment. The role will entail working closely with the local front office responsible for bonds, equity derivatives and syndications, as well as senior management in the trading and finance areas in London and New York.

Candidates should clearly demonstrate an impeccable academic record combined with 2-3 years relevant experience gained at an international banking or securities house or, alternatively, within the profession. Highly developed communication skills are essential, although fluency in German is not a pre-requisite.

This is a rare opportunity for an individual to enter into a high profile role, where the level of responsibility and influence is significant. The ability to act decisively and provide effective solutions is paramount and will ensure the successful individual outstanding further development within the global organisation.

Interested candidates should contact Jacqueline Long on (44) 71 209 1000, eves & weekends (44) 474 874473 or write to her enclosing a CV at FSS Europe, Charlotte House, 14 Windmill Street, London W1P 2DY, United Kingdom. Fax: (44) 71 209 0001.



FSS EUROPE

## Financial Controller

Deutschland

Jahresgehalt CA. 120.000,-DM

Cape Contracts ist eines der führenden Unternehmen in Europa im Bereich Montage von Kälte-, Wärme-, Schall-, Feuerfest-hoher sowie Isolierung und Abdichtung und deckt mit seinen Dienstleistungen sowohl den industriellen als auch den privaten Sektor ab. Die deutsche Tochtergesellschaft in Berlin hat Kapital ist der Schlüssel zu unserer Zukunft in Europa.

Wir suchen einen direkt dem Geschäftsführer unterstellten Finanz Controller, der für das gesamte Finanzwesen unserer deutschen Unternehmen zuständig ist. In den Verantwortungsbereich fallen:

- Buchhaltung und Finanzverwaltung für die deutsche Firma mit einem Umsatzvolumen von 20 Millionen DM.
- Zusammenarbeit und Verhandlungen mit unseren Partnern im Bereich Banken, Wirtschaftsprüfung und Steuerberatung.
- Regelmäßige Berichte und finanzielle Analysen für den Geschäftsführer und Zusammenarbeit mit der Finanzabteilung in England.

Das erwarten wir:

- Fließend Deutsch und Englisch in Wort und Schrift.
- Mindestens 5 Jahre Erfahrung im Finanz-Management.
- Eine in England oder Deutschland anerkannte Bilanzbuchhaltungsqualifikation.
- Kenntnisse englischsprachiger Praktiken wären von Vorteil.
- Erfahrung im Umgang mit Computer-Systemen.
- Die Fähigkeit, Mitarbeiter zu organisieren.

Wir bieten:

- Ein der Position entsprechendes Gehalt.
- Firmenwagen.
- Eine einem großen Unternehmen entsprechenden Vergütungsplan.

Wenn Sie meinen, daß Sie unseren Anforderungen entsprechen, senden Sie bitte Ihre Bewerbung in englischer Sprache mit vollständigen Unterlagen und Lebenslauf bis zum 15. 07. 1994 an: Ms J. Perrott, Personnel Officer, Cape Contracts Ltd, Cape House, Exchange Road, Weyford WD1 7BL.

CAPE

## DIRECTOR OF FINANCE

West Midlands

c£45,000 + Benefits + Bonus

## THE COMPANY

Gibson Greetings Inc, the third largest greetings card publisher in the USA, established UK and European operations in 1992. Highly regarded for product quality and customer service in a direct-to-retail environment, Gibson Greetings has quickly established a position of leadership in what is a very competitive market.

## THE POSITION

Key member of UK Management Group required to drive the Finance and IT functions during this challenging development phase, establishing the systems, policies and procedures to move the business forward in the long term.

Reporting to the European-based MD with functional responsibilities to Finance in Cincinnati, USA.

## QUALIFICATIONS

- Graduate, qualified accountant, aged 35 to 45, with proven track record in commercial environment.
- Treasury, Management Accounting and Costing experience.
- Highly computer literate, experienced in selection, implementation and development of IT systems.
- Key strengths will include experience of USA reporting, background in manufacturing and skills at operational, business planning and strategic levels.
- Team player approach is essential.

Please write, in confidence, enclosing CV to: Peter M Osman FCA, Managing Director, GIBSON GREETINGS INTERNATIONAL LIMITED, Gibson House, Hortonwood 30, Telford TF1 4ET.

Gibson

Management of Change  
Director of Finance & MIS  
West Midlands c£60,000 + Executive Benefits

Organic growth and acquisitions have seen this company's turnover to £14 billion and complemented its traditional activity with entry into new markets to become a major force in catering and food retailing.

The result of this growth has been change both culturally and financially and nowhere has its effects been felt more keenly than in the finance function.

The ability of finance to manage this change has been one of the main reasons why the finance function has been so successful. To continue that process, a Director of Finance and Management Information Systems needs to be appointed to the group's largest company, which employs 20,000 people in over 3,000 outlets and generates a turnover of £320 million.

Investment in IT has so enhanced the quality of management information that it has given the company a significant advantage over its competitors.

and building on that strategy will be the major thrust of this position. This, coupled with the integration of the financial reporting of different companies, whilst still providing accurate management information and fulfilling statutory obligations, makes for a rare and challenging role.

Candidates must be qualified accountants from the retail or service sectors who have managed a Systems function as part of their responsibilities and who will be comfortable operating as Finance Director in a company of this size and complexity. The level and frequency of both internal and external contacts means good inter-personal skills are essential.

Please send a full career resume including a daytime telephone number and salary history, quoting reference number B/156, to: E. F. Larder, Riley Consultancy Services, Centre Court, 1301 Stratford Road, Hall Green, Birmingham, B28 7SL.

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LIFFE

The London International Financial  
Futures and Options Exchange

## Financial Controller

c.£60,000 + car + benefits City

The London International Financial Futures and Options Exchange (LIFFE) is amongst the top three futures and options exchanges in the world.

Their continued success and growth means that they now wish to appoint a Financial Controller to make a key contribution to the management and development of an effective and forward looking finance function. Reporting to the Director of Finance, major responsibilities will include the control of:

- Interpretation of financial management information, including financial results, budgets, forecasts, and plans, to tight reporting deadlines
- Enhancement of their treasury activities
- Development, implementation and enhancement of financial and management information systems
- The day to day management of an accounts team.

Probably aged in your late 40s to early 50s, you will be able to demonstrate:

- A strong track record in financial management and control, probably gained at Financial Controller/Finance Director level in a major services/financial services organisation
- Excellent staff management skills with strong leadership qualities
- Substantial experience in developing and co-ordinating effective and controlled accounting and MIS systems
- Excellent communication skills with the ability to promote financial awareness throughout the Exchange.

Please write, quoting your salary and reference J/1465 and enclosing a full CV, to Judith Richardson at: Executive Search & Selection, Price Waterhouse, Milton Gate, 1 Moor Lane, London EC2Y 9PB.

Price Waterhouse

EXECUTIVE SEARCH &amp; SELECTION

## Finance Director

London From £85,000

Our client is a division of a major plc with international interests in the Energy and Process sectors. It has diversified into new markets, with significant success through joint ventures and strategic alliances and now has an annual turnover in excess of £650 million.

To maintain its premier market position, it is currently undergoing a programme of business process re-engineering, implementing a fundamental review of how the needs of the business are serviced.

The Finance Director will report directly to the Chairman and will be responsible for the formulation of financial targets, administration of corporate development initiatives and attainment of cost business services.

As an integral member of the executive team, with custody over the future direction of the business, you must have the necessary stature and ability to make a significant contribution.

Applicants must have a proven track record in enhancing business services and the provision of considered financial input to the overall benefit of business and profit performance. Experience of the engineering-based contracting sector would be highly advantageous.

Please send a detailed CV, quoting reference M/484/94, to Steven French.

Closing date for receipt of applications is Friday 8th July 1994. Interviews will be held in London.

KPMG Selection &amp; Search

St. James' Square, Manchester M2 6DS.



# AYLESBURY VALE COMMUNITY HEALTHCARE

## DIRECTOR OF FINANCE

c.£42k plus car and benefits

We have a reputation of being a market leader in providing community based services and we are continually looking at innovative ways of improving these. We are a successful 2nd wave Trust with a contract income of £25m and our services cover Adult Mental Health, Elderly Mental Health, Learning Disabilities, General Community, Physical Rehabilitation, Palliative Care and a Child and Family Directorate.

Due to the promotion of our current postholder, we are seeking an experienced Director to head up our well developed Finance and Information Services and maintain the Trust's outstanding financial record. As an Executive Member of the Board you will also play a key role in the corporate development of the Trust.

The successful candidate will have:-

- 5-6 years experience at or near board level in a complex organisation
- A CIMA qualification with a minimum of 5 years post qualification experience
- The ability to plan and drive through new initiatives and the leadership to motivate others to the same level of commitment
- The ability to analyse situations and present clear solutions
- The personal skills to work with staff at all levels including fellow Board Members and professional colleagues

Aylesbury is situated close to London in an area of outstanding beauty with high standards of local schooling including excellent grammar schools. A competitive benefits package is on offer with a lease car, PRP and relocation expenses.

After you have received the information pack you may like to contact Bronwen Davies, Chief Executive (Tel No: 0296 393633 ext 595) for an informal discussion.

For an information pack and application form please contact Ralph Griffiths, Director of Personnel, Aylesbury Vale Community Healthcare Trust, Manor House, Brierley Road, Aylesbury, Bucks. HP20 1EG. Tel No: 0296 392903 (24 hour answering service) or Fax No: 0296 392959. Please quote reference number 0488 when applying.

The closing date for receipt of applications is 20th July 1994. Interviews will be held on 10th and 11th August 1994 - any difficulty in attending should be indicated on your application.

The Trust is working towards equality of opportunity and has a non-smoking policy

# Retail - Strong Finance & Commercial Skills FINANCE DIRECTOR DESIGNATE

## GUILDFORD

Our client is a young, dynamic retail company, which is growth orientated and poised for rapid expansion. There is now an immediate requirement for a Finance Director Designate to join the senior management team.

Reporting to the Managing Director, the principle responsibilities will comprise the co-ordination and management of a small finance team, including all aspects of timely financial and management reporting. The successful candidate will be a qualified chartered accountant with extensive retail experience including substantial knowledge of stock control and shrinkage.

You will have excellent IT skills and be capable of establishing, reviewing and implementing comprehensive systems throughout the company.

Strong negotiating skills and the ability to establish interface between the sales, merchandising and accounts functions of the company are essential prerequisites of the position.

Aged between 30-38, you will have a high level of commerciality and business acumen together with drive, energy and ambition.

c.£40,000 + BONUS + EQUITY

The successful applicant will be provided with excellent growth potential within a group that aims to take its business to the stock market.

Interested applicants who will enjoy a fast moving, innovative working environment and are able to contribute to a small and highly motivated team should write enclosing a detailed CV to:

Giles Daubeny or Caroline Stockdale at Robert Walters Associates, 25 Bedford Street, London, WC2E 9HP, or Fax 071-915 8714.

ROBERT WALTERS ASSOCIATES

# ACQUISITIONS ANALYST

## Key appointment in major Blue Chip

### CENTRAL LONDON

to £35,000  
+ Car  
+ Benefits

An outstanding opportunity has arisen for an ambitious and highly commercial finance professional to join one of Britain's leading companies. With an annual turnover in excess of £10 billion and operations throughout the world, the company is well placed to meet the global challenges of the future.

Working as part of a small, highly visible team, and liaising closely with senior management, your primary brief will be to undertake detailed review of acquisitions and other large capital investment proposals to enable the Board of Directors to make informed decisions. Involvement will include initial valuation assessment and risk identification, through to due diligence and the integration of new investments into the worldwide group. You will liaise with external advisors and much of your work will be project based.

The successful candidate will therefore require the following key attributes:

- Qualified graduate ACA with first time passes and 1-4 years P.Q.E.
- Exposure to corporate finance or other non-audit assignments.
- An understanding of the acquisition process and taxation and treasury issues.
- Experience of working with detailed financial models.
- Commercial outlook combined with outstanding inter-personal skills.

We are interested in talking to candidates who can display records of consistently high achievement and who are comfortable working alongside senior decision makers. Energy, creativity and flexibility are all qualities which will enable you to take advantage of career opportunities within the company either in the U.K. or overseas.

Interested applicants should write in confidence to Andrew Livesey, quoting reference number 2020 at Nicholson International, Bracton House, 34-36 High Holborn, London, WC1V 6AS. Alternatively fax your details on 071 404 8128. Our client is an equal opportunities employer.

France Italy Holland Spain Germany Belgium Turkey Poland Czech Republic Hungary Romania Russia Australia



NICHOLSON  
INTERNATIONAL  
UK

# Parkinson's Disease Society PARKINSON'S DISEASE SOCIETY OF THE UNITED KINGDOM FINANCE DIRECTOR c £35,000 + BENEFITS

Experienced ACA / ACCA / CIMA to start 1 October 1994 or before. This new post, as a key member of the senior management team, will enable the successful candidate to participate fully in the continued development of the Society through the provision of sound financial management and advice.

Responsibilities relate to all aspects of the Society's financial affairs and the development of financial strategy.

A job description is available from Richard Rhodes or Cathy Tucker, Felton Consulting, 12 Sheet Street, Windsor, SL4 1BG, telephone number 0753 840111. Closing date 8th July 1994.

The Parkinson's Disease Society is striving to be an equal opportunities employer.

"Our mission is the conquest of Parkinson's disease and the alleviation of the suffering and distress it causes, through effective research, education, welfare and communication."

## APPOINTMENTS ADVERTISING

Appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call:

Philip Wrigley on 071 873 3351 & Gareth Jones on 071 873 3779

# GROUP ACCOUNTING MANAGER

Bourne End, Bucks

c£35,000 + F/X Car + Benefits

Lex Retail Group, a subsidiary of Lex Service Plc, is the UK's largest automotive retailer with a turnover in excess of £1 billion. The Company operates 104 car dealerships nationwide covering a broad range of 25 different franchises. The Group's continued success is attributed to a combination of ongoing acquisitions and an unwavering commitment to delivering an outstanding quality of service to its customers.

Substantial growth in the business has necessitated a re-organisation of the Group Accounting activities which are being centralised at the Group's head office. As a result an exceptional financial professional is required to lead and motivate a department of 10 staff.

As a member of the senior finance team, responsibilities will include all financial, management reporting and analysis, acquisition/divestment accounting, statutory reporting and centralised payroll. Additional responsibilities will include on-going maintenance, development and support of the Group financial reporting and consolidation systems and a diverse range of ad hoc activities.

To qualify for consideration you should be an ambitious ACA aged in your early 30's with a strong track record of personal and professional achievement in your career to date. As a natural leader, you will possess the energy, vision and management skills to develop a team committed to enhancing business performance. Your strong technical and systems skills will enable you to make a significant contribution in a highly complex and acquisitive organisation and thereby benefit from the excellent career prospects available within the group.

To further your interest in this exceptional opportunity, please send your CV or telephone our retained consultant Ian Coyle at Executive Connections Ltd, 43 Eagle Street, London WC1R 4AP. Tel: 071 242 8103. Fax 071 851 4571.

Lex Retail  
Group



# SENIOR ACCOUNTANT

A senior management role in the gas retail sector  
to £35,000 + benefits Enfield

"Gas from Eastern Electricity" is a new venture made possible by the deregulation of the gas market. Building on our success as the largest electricity supplier in the UK and a FTSE 100 company, gas is now a major component of our energy portfolio.

We need a person to make sure that the finance section achieves key objectives in the production of financial and management accounts, but also, and critically, to ensure that the section contributes as an integral part of our retail activity.

A qualified accountant, you will have more than three years' experience in a relevant environment, ideally within a retail or large volume transaction business. Personal experience of implementing new systems and the ability to understand and interpret business results are also essential.

A member of the senior management team you will facilitate and welcome innovation in this rapidly changing environment. With a successful track record in managing and motivating people, you will also be an excellent communicator with an open and enquiring nature.

In the first instance please write to John Bosdet, Personnel Manager with a comprehensive CV at Gas from Eastern Electricity, 249 Carterhatch Lane, Enfield, Middlesex EN1 4BW, by 11 July 1994. Interviews will be held on 19 July.

We are an equal  
opportunities employer.



# Finance Director - Russia (J.V.)

## The Company

This pioneering global telecommunications company has already achieved significant gains in the high-growth markets of Russia and the CIS. Its impressive expansion in 1993 shows a clarity of emphasis placed on this exciting region. Backed by a further \$60m capital investment program, 1994 will see yet further market penetration with the commencement of additional commercial services in highly-populated areas. Currently they have nine separate JVs or operating business units in Russia and the CIS. While considerable infrastructure is already in place, the group is ensuring its continued expansion with a policy of new license acquisition and investment in the latest technology.

## The Position

As Finance Director reporting to the Vice President of Finance you will be responsible for overseeing the Billing and Collection function, supervision of the accounting activities which includes the production of monthly management reports to western standards and the supervision and hiring of staff. In addition you will maintain a control over the Joint-Venture's commercial activities ensuring effectiveness in line with the Business Plan and prevailing laws of the Russian Federation, this will include currency exchange activities, tax laws and local government regulations.

## The Person

Combined with the expected technical financial skills drawn from experience ideally gained from within a large company scenario, you will also display a high degree of diplomacy, cultural understanding and integrity. Linguistic ability in Russian, although not essential, will be a major asset. Applications are therefore encouraged from Russian nationals, who have already experienced working with a western Joint-Venture partner in a senior finance role. Alternatively, our client seeks strong financial managers with commercial acumen, resilience and tenacity. The organisation is able to offer career progress beyond this current role.

Please send a full resume with covering letter to the address/fax below quoting reference FT2338 on all correspondence. Applications will be treated in strictest confidence.



ANTAL INTERNATIONAL  
Executive Recruitment

Riverbank House • Putney Bridge Approach • London SW6 3JD  
Tel: +44 (0) 71 371 9191 • Fax: +44 (0) 71 731 8160 (24 hrs)

## FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Philip Wrigley on  
071 873 3351

# CHIEF FINANCIAL OFFICER

**Global responsibility**

**London based**

**£100,000+ package**



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

Our client is one of the leading forces in international private banking with an impressive record of profits growth and an established worldwide network.

As part of a major strategic review they now seek to appoint a CFO, reporting to the Chief Executive, to be a key player in the global development of the business.

Key responsibilities within this newly created position will be:

- To be an integral member of the management team in establishing, reviewing and implementing group strategy.
- To develop the group finance function and to provide top quality appraisal systems for both financial and business performance.
- To lead the development of the finance function globally to include all aspects of corporate accounting, tax planning, transfer pricing, systems, budgeting and business planning.
- To play a leading role in acquisitions from evaluation, due diligence and completion to post acquisition integration.

We are looking for a qualified accountant with an outstanding track record of achievement in an international environment and with proven skills in general management. Excellent interpersonal and presentation skills, immediate impact and a highly professional approach are prerequisite. Candidates are likely to have a background in private banking or investment banking but those with a career of significant achievement from other sectors will also be considered.

The remuneration package includes a substantial basic salary with a significant performance related bonus together with normal banking benefits, and will not be a limiting factor for the right individual.

In the first instance, please write, enclosing a comprehensive curriculum vitae and current remuneration details to Jonathan Williams, Director, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

All applications will be treated in absolute confidence.

## European Business Review

**London**

**Brussels**

**Paris**

**£30-40,000 + Bens**



**Michael Page International**

International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

With turnover in excess of £1 billion, our client is committed to becoming the most cost effective distributor of office automation and photographic equipment supplies in the industry. This pre-eminence will be achieved through a strategy of strong branding in relation to technologically advanced and proven products together with a global distribution infrastructure.

The company has recently established a Worldwide Internal Audit function and is seeking to appoint two ambitious qualified accountants with strong commercial, communication and technical skills who can demonstrate the potential to progress into senior line roles. Initially focusing on European operations, these newly created positions report to the Head of Group Audit and encompass the definition and implementation of policies, procedures, controls and systems with the overall objective of adding value to the business.

Specific responsibilities will include:

- Identification of control weaknesses.

- Systems reviews.
- Operational review.

Having qualified within an international firm of Accountants, the Audit Manager will either have gained experience in a commercial audit environment or will have progressed to manager grade within the profession. The Audit Senior role represents an excellent opportunity for a newly qualified accountant seeking to make the first move into industry.

Given the geographical coverage involved, the roles could be based in London, Brussels or Paris with anticipated travel content of between 60-70%. Fluency in at least two European languages, including English, is essential - preferred second language French or Italian.

Interested applicants should write, quoting reference 188784, enclosing a comprehensive curriculum vitae and daytime telephone number to the appropriate office below.

Nigel Milford,  
Michael Page London, Page House,  
39-41 Parker Street, London  
WC2B 5LH.  
Fax 071 831 2612.

Mark Spary,  
Michael Page Belgium  
39-41 Parker Street, NV  
Avenue Molière 262, 1060 Brussels  
Fax: +2 34 70 081

Alexis de Bretteville,  
Michael Page France,  
3 Boulevard Bineau,  
92300 Levallois-Perret,  
Paris. Fax: +47 57 39 18

### CORPORATE FINANCE ASSISTANT DIRECTOR

Westminster Age: 28+ To £40k basic

Capita Corporate Finance (CCF) is expanding its team of deal leaders due to the increasing workload from MBO teams and acquisitive clients.

A subsidiary of the highly successful listed Capita Group, CCF is seeking:

- a qualified accountant or lawyer with experience of corporate transactions gained in an industrial or City environment.
- a team player with a flair for delivering innovative solutions to clients.
- an ambitious professional who will help win assignments and execute them to the highest standards.

Rewards will include a profit related bonus scheme.

Please send your CV, details of your present salary and a daytime telephone number to Ian Smith, Managing Director.

**CAPITA**

Corporate Finance Limited  
71 Victoria Street  
London, SW1H 0XA

A member of the Securities and Futures Authority

## Fast Track Financial Controller

**Swindon**

**c £36,000 + FX Car + Bens**

Our client is a £60 million turnover company, providing products and services to the automotive industry. Part of a highly successful, UK based, multi-national Group it has been recently formed by the acquisition of a company in Swindon and its integration with an operation in Banbury. The operational activities will continue on both sites. It is extremely successful in its market places and has ambitious plans for future growth. Reporting to and working closely with the Finance Director, the challenges will be to:

- Integrate the financial systems and establish an effective finance department of c15 staff for the combined operations.
- Establish an appropriate reporting and budgetary infrastructure and foster a culture of cost and profit responsibility.
- Co-ordinate, prepare and review operating budgets, forecasts and strategic plans.
- Provide ad-hoc financial planning support and interpretation of commercial performance for the senior management team.
- Develop, implement and maintain the finance related systems.

Suitable candidates for this demanding role will be:

ambitious, graduate calibre, qualified accountants. They will certainly have a good intellect, an energetic, creative approach and the drive and determination to achieve objectives. Commercial awareness and strong interpersonal skills are critical to deal credibly at all levels, both inside and outside the finance function.

Probably aged in their late 20's to early 30's they will have a demonstrable record of achievement to date and now be looking for real responsibility and an opportunity to influence the performance of a business. Ideally, they will have experience at an operational level within a fast moving environment including the preparation of management and financial reports, systems and MIS development and financial control.

This is a high profile role and prospects within the Group are excellent. Relocation assistance will be provided where necessary. Interested candidates should forward a detailed CV, including current salary details and a covering letter explaining why you meet the above criteria to Keith Evans, Regional Manager, Michael Page Finance, 29 St Augustine's Parade, Bristol, BS1 4UL, quoting reference 193676.



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## Financial Controller

**Birmingham**

**£30-35,000 + FX Car + Bens**

Our client is a household name in retail, with £60m turnover in the UK and part of a French Group with a turnover of FF 8 billion with a well known market leading brand name. The company is embarking on a substantial investment programme to consolidate its market leader status.

We seek a key member of the management team to continue and raise the profile of all services offered by the finance function, managing and developing in terms of guidance and motivation of the finance department. You will be responsible for monthly reporting both for domestic and group packages. Other key responsibilities will include annual reporting, computations of the tax liability and managing advantageous financing of capital projects.

Significant emphasis will be placed on the

ability of the candidate to drive through the changes required from the imminent restructure. During this period of change and challenge progression opportunities are excellent. Candidates should be qualified Chartered Accountants with the ability to adopt a flexible approach. Excellent communication skills, high levels of drive and well developed leadership qualities will also be essential.

A knowledge of French and retail experience would be advantageous but are not essential. Interested candidates should send in a copy of their Curriculum Vitae to Gareth Dwyer or Tony Gleeson BA, CA at Michael Page Finance, The Citadel, 190 Corporation Street, Birmingham B4 6QD quoting reference number 194129.



**Michael Page Finance**

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## FINANCIAL CONTROLLER

**£35,000 + car & benefits**

Cassell plc is a medium sized book publisher which achieved a stock market listing in June 1994. The company has seen substantial growth both organically and by acquisition since the original management buy-in in 1986. With further opportunities for expansion and growth there is now a requirement for an ambitious Financial Controller.

The successful applicant will be a qualified accountant who will also have commercial/industrial experience. Reporting to the Finance Director the role will include the management of and the active participation in the small accounts department with the production of the statutory accounts and the completion of daily, weekly and monthly management and cash reports to exacting timetables.

This role, in time, is expected to result in appointment as Company Secretary.

Candidates should submit in strictest confidence a detailed curriculum vitae, including current remuneration to:

Yvonne Maguire, Personnel Manager  
Cassell plc, Villiers House, 41-47 Strand, London WC2N 5JE  
(Strictly No Agencies)

### Staff of 35

A combination of the two, with a bias on the latter undoubtedly produces the correct result. And recent results reached quickly and painlessly are of paramount importance in our Client's growing "back office".

Yet the cerebral challenge of climbing the perpetual learning curve of the broadest range of complex treasury products, is not often mixed with the management challenge to motivate a large team of professionals. The collective objective is to help drive forward rather than slow down, the stream of new business initiatives being generated by the "front office", whilst meeting the high standards of excellence required for statutory presentation and prudent financial accounting.

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The successful candidate will have built on an outstanding academic record to achieve the above skills and be ready to take an upwards or sideways move from a recognised investment bank, international securities house, or perhaps from a major insurance company or treasury consultancy - in order to satisfy their long term ambitions - which may be broader than the above role to combine serendipitous and perspicacious treasury accounting methods.



Please telephone Peter Willingham in strict confidence on 06285 21097 from 2pm Friday 1st or Saturday 2nd, 9am to 6pm only or write to him at the address opposite quoting reference number 808.

## Head of Finance and Administration

S. E. London

£40,000 + Car and Benefits

Our client is a large Charitable Estate which manages a portfolio of property and investments in south London, with a value of £58 million and income in excess of £4 million. Though a charitable organisation the Estate is run on commercial lines, managing the residential and commercial property and maximising investment income.

The Estate Governors are seeking to appoint a Head of Finance and Administration to join the management team, reporting to the General Manager, with responsibility for the accounting and administrative function.

This responsibility includes involvement in the operational planning processes and budgeting, the control of the financial and management reporting, the continual development of the financial and administration computer systems, assisting the General Manager in administration of Estate committees, the strategic management and monitoring of a £40 million investment fund and the supervision and control of a broad administrative function which includes personnel, premises, vehicles, insurance etc.

The ideal candidate would be a self-motivated, 35-50 years qualified accountant with at least five years financial and administrative line management experience. Experience in the property sector would be desirable but not essential and a knowledge and commitment to computers and information technology is required.

Interested candidates should send a curriculum vitae, with salary details, and quoting reference 2841 to:



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## Finance Manager

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Our client, a well-established UK Plc, is a truly international Group. A significant percentage of its sales are European and it has established manufacturing and sales presence in other key international locations. The Group holds strong positions in almost all of its markets, very often as the market leader. The successful strategy of developing the business in adjacent areas seeks to build upon these international market strengths and to improve continuously the levels of service offered to customers.

As a result of an internal move, a key role has arisen in the Dutch operating company. This company has a turnover of c.£5 million and employs 60 people. Reporting to the General Manager with a dotted line to the Divisional Finance Director, who is based in the UK, the key responsibilities include:

- All aspects of financial and management accounts, including both Group reporting and Operational Management Information.
- Short, medium and long term planning including budgeting and forecasting.
- Full involvement, as part of the local management team, in the day-to-day running of the business.
- Company secretarial affairs, filing of returns and liaison with the company's external Auditors.

It is likely you will be aged 28-32 years with the personal credibility and commercial acumen to deal with the wide range of duties above.

You will be a qualified Accountant with a broad range of experience in financial and management accounts as well as financial planning and analysis. A second European language (not necessarily Dutch) would be advantageous, but is not essential. Strong PC and financial modelling skills are essential.

Interesting and demanding career opportunities will be available for the individual who succeeds in this role.

Assistance with relocation will be available if required.

If you would like to pursue this exciting opportunity you should write to Karen Wilson at Hoggett Bowers, George V Place, 4 Thames Avenue, Windsor, SL4 1QP, enclosing a recent CV and a note of current salary quoting Ref: W/94/4498/FT.

## Hoggett Bowers

EXECUTIVE SEARCH AND SELECTION

## Group Internal Auditor International PLC

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Our highly regarded client is an international PLC with an annual turnover in excess of £800m. Following a recent successful rights issue and a reorganisation of the head office, this new position has been created to further strengthen the small, high profile group finance function.

Reporting to the Group Finance Director, you will be responsible for carrying out financial and systems reviews worldwide. Working independently, or with local auditors, you will work closely with senior operational management to identify issues, and prepare reports and presentations for group executives and the main board. You will also be involved in the broader financial management of the group and you will manage ad hoc projects consistent with the operations of a growing and dynamic PLC.

A chartered accountant in your twenties or early thirties, you will have trained with a major firm and have a proven record of achievement. A high level of intelligence and initiative and strong interpersonal skills are essential. Ambitious and resolute, you will have the potential to progress to a senior line management or group role within two to three years.

## IBDO

To apply please send a full CV with salary details quoting ref 1736 to Richard Holland (071 489 6244).

BDO Consulting, 20 Old Bailey, London EC4M 7BH.



### FINANCE DEPARTMENT Assistant Director of Finance (Strategy and Systems)

£36,500 negotiable  
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Riverside Mental Health Trust is one of the largest mental health care providers in the country. Our Finance Department is at the very centre of ensuring the future business success of our services providing quality patient-centred care.

We now require an ambitious qualified accountant (CCAB member) to complement the existing management team within the Department. This is a new role which will see you taking the lead in the Trust's financial planning process, ensuring accurate information is available to support our contract negotiations. You will also produce the Trust's 3-5 year financial plans, taking account of service developments, analysis of competitors together with the strategic and resource plans of purchasers. This will see you working closely with senior staff in the Directorate of Corporate Development to produce business cases for capital investment and reviewing internal business plans for their financial robustness.

In order to succeed at this level it is likely you will have at least three years post qualification experience, either working in a professional firm, public sector or other business with a turnover in the range of £30M. You will already have enjoyed significant exposure to financial control, management accounting and planning. Your career thus far will have equipped you with the necessary communication and influencing skills to enable you to work closely with senior Directors assisting them in evaluating financial risks and contingency planning in confident plain language. If you are ambitious there will be many opportunities within a confident Health Care Trust with a clear strategy for the future.

For an informal discussion of this position please contact Ms Nicky Cooper, Director of Finance, Tel: 081 746 6864 (from 11th July 1994).

For an application form and information pack please contact: Recruitment Services, Commonwealth House, 2-4 Chalkhill Road, London W5 0DW. Telephone: 081 846 6651 (24 hour answerphone). Ref: SM/154.

Closing date: 18th July 1994. Assessment Day: 1st August 1994. Interviews: 5th August 1994.

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In order to exploit fully its position and

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### Financial Accountant Gloucester

A fully qualified accountant with relevant retail experience, you will oversee the Ledger, Payroll and Treasury functions. The preparation of cashflow forecasts, the effect on

plan and the recommendation of actions will form a critical part of a role which could well be a key professional development opportunity for the right individual.

### Audit Manager Staines

Reporting to the Finance & Commercial Director, you will be vital to the performance of our operations. Professionally qualified, it is

probable that you will have experience in the drinks sector so that you are aware of the difficulties and demands such a position brings.

### Project Accountant Staines

With many refurbishments and building-related projects being carried out concurrently, the correct control and allocation of costs and materials is essential, and you will need to maintain strong links both within and outside

the company. You will have significant experience in the building projects environment and be able to demonstrate an ability to design and implement effective control systems.



For all of the above positions, please write in the first instance with full career and salary history to Derek Parfitt, Personnel Director, The Magic Pub Company Ltd, The Rising Sun, Cleve Hill, Chisleham, Glen G1.52 3PX. Tel: 0242 676281.

### BARING VENTURE PARTNERS LIMITED FINANCIAL CONTROLLER

Baring Venture Partners wishes to recruit a qualified accountant for its expanding pan-European venture capital business. The position includes responsibility for the operation of the book-keeping system in the London head office and the preparation of monthly management accounts and annual statutory accounts, involving the coordination and consolidation of financial reports from overseas offices.

Suitable candidates will be in their mid to late twenties, with strong computer and analytical skills and will have the ability to communicate clearly both orally and in writing. Venture Capital is a fast-moving business populated by highly motivated and sometimes eccentric individuals. Only self-starters with a sense of humour need apply. Salary will be negotiable according to experience.

Applicants should write enclosing a curriculum vitae to:

David Huckfield, Administration Partner,  
Baring Venture Partners Limited,  
140 Park Lane, London W1Y 3AA.



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These positions will suit individuals hungry for greater autonomy and responsibility who wish to work closely with clients on a wide variety of projects.

Interested applicants should contact

Andrew Fisher, Parkwell Management Consultants Ltd  
3 Catherine Place, Westminster SW1E 6DX Tel: 071 233 5207 Fax: 071 233 5205

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- Senior Level Financial and Investment Management
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- Preparation and control of budgets
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In addition to good analytical skills and a proven record of achievement at financial management level, you will need:

- A degree and accounting qualification awarded by ICAC/CIMA
- Management experience in a large organisation
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- The ability to manage, motivate and develop your team

This position offers the opportunity to shape the future in a challenging and developing environment.

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